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Old Hatreds Revive As Freedoms Bloom In Eastern Europe

By Celestine Bohlen
New York Times Service

TIRGU MURES, Romania — In the 10 months since the Romanian revolution lifted the lid off Transylvania's ancient national rivalries, the Romanians and Hungarians who have shared this land for thousands of years have been living in a state of tense alert, ready for the next spark to fly.

Violence erupted here in March, when the two groups fought in the streets. Peasants flocked into town from surrounding villages armed with axes, knives, and bats, even uprooted park benches. Five people were killed and 269 hospitalized.

All across Eastern Europe, and in parts of the Soviet Union, old national resentments and quarrels have flowered in the new conditions of free speech and democracy. The result is a daisy chain of ill will — as Slovaks vent their resentments against Czechs and Hungarians, as Hungarians brood over their treatment by Slovaks, Romanians, and Serbs, and as Serbs and Croats comb through the historical record for more reasons to hate each other.

New migrations are under way now that the region's borders are no longer shut tight. Thousands of ethnic Hungarians are fleeing Romania, legally and illegally, while in much smaller numbers, ethnic Romanians are drifting away from those regions of Romania that are predominantly Hungarian.

Ethnic Germans, once a significant minority throughout Eastern Europe and Russia, are leaving land they have inhabited for centuries, taking advantage of the special door held open for them by Germany.

Nationalist politics, which for decades had been walled off by an artificial silence, has emerged practically unscathed from the ruins of communism's enforced internationalism. Under the old regimes, nationalism had been treated as a force to be suppressed, sometimes brutally. And that often turned nationalist movements into refuges for anti-Communist dissent.

In both Czechoslovakia and Yugoslavia, national issues are forcing a redefinition of the nature of government, adding more pressure to the trend to decentralization and local control. Slovaks, who make up 31 percent of Czechoslovakia's population, are pressing for greater autonomy from the central government in Prague, where, they feel, Czechs have historically held a disproportionate share of power.

In Yugoslavia, the Slovenian and Croatian republics are also pressing for a loose confederative arrangement, while the Serbian republic has been heading in the opposite direction, moving forcibly to reassert control over the region of Kosovo, where ethnic Albanians are the overwhelming majority.

In Hungary, which along with Poland and Albania is one of Eastern Europe's most ethnically homogeneous states, an old debate over Hungarian identity — an issue that has historically assumed anti-Semitic overtones — has been reinserted into the political debate.

And as the region's economic crisis deepens, many fear that nationalism will take on an even uglier edge, as people look for scapegoats, and politicians seek ways to gain easy popularity. For Eastern Europe's small surviving Jewish populations, and for its large and growing gypsy population, this is cause for special concern.

One brake on these trends is Eastern Europe's eagerness to join Western Europe and share in its peace and prosperity. The success of Western European countries in settling, for the most part, their own centuries-old nationalist feuds makes them an example for their Eastern neighbors. Even more compelling is the fact that Western economic aid is now conditioned on compliance with Western standards of democracy and tolerance.

"Anyone who is the least bit responsible knows that these countries cannot afford any kind of militant nationalism," said Andras Kovacs, a Hungarian sociologist and expert on nationality issues. "The danger is not imminent, but it could be there, if a series of preconditions are allowed to develop."

Eastern European nationalism has a troubled past. The redrawing of national frontiers after the breakup of the Ottoman and Austro-Hungarian empires in 1918 failed to accommodate the aspirations of all the groups in the region. In 1923, 30 million out of the 110 million people living in the region [illegible] in their countries. Now, after the mass killings and migrations of World War II, the number of people counted as belonging to ethnic minorities has dropped to about 14 million, but it is still more than 10 percent of the population.

In Eastern Europe, nationality is defined less by borders than by cultural heritage. The conflict in the Yugoslavia today is not so much between the Serbian and Croatian republics, but concerns more the dilemma posed by Serbs

See RIVALS, Page 6

Gareth Watkins/Reuters

LOOTERS ON LOOSE IN PARIS — Vandals breaking a store window during a student march on Monday. Government leaders announced an emergency plan to improve conditions in high schools after 250,000 students marched throughout France. Student leaders disclaimed any connection with the vandals. Page 2.

Some Americans Ask, Is War With Iraq Worth It?

By Michael Oreskes
New York Times Service

WASHINGTON — A national debate has begun on whether the United States should go to war in the Gulf.

Political and government leaders and prominent academics are examining the question of whether the country's interests in the region are worth defending in a war with Iraq, when the costs in human life and material damage are largely unknown.

The issue was largely avoided in the recent session of Congress and the political campaign that ended last week.

But the issue came into sharper focus last week as President George Bush announced a new deployment of troops to a level that will reach about 400,000 with the express purpose of convincing President Saddam Hussein of Iraq that the United States is ready for war.

Whether he will succeed in persuading Americans as well is another matter, political and governmental leaders say.

In and outside Washington, there are expressions of concern that Americans have not fully explored whether the human and financial costs of war in the Gulf are worth the hoped-for gains.

Senator Sam Nunn, Democrat of Georgia, the party's leading spokesman on military matters, on Sunday joined a number of other voices in suggesting that Mr. Bush should be more patient to see if sanctions would work.

Mr. Nunn said the administration had made a "mistake" by canceling a plan to rotate home some of the troops now in the Gulf. It marked the first time a major Democratic Party figure had directly criticized Mr. Bush's handling of the Gulf crisis.

Through most of the buildup, criticism was confined largely to what Vice President Dan Quayle last week referred to as the "isolationists" of the Republican Party.

But in the last few days voices as disparate as those of Archbishop Roger Mahony of Los Angeles and the historian Arthur Schlesinger Jr. have questioned the Bush administration's means or its ends in the Gulf crisis.

The Cato Institute, a libertarian public policy research group in Washington, issued a report saying the United States has no vital interest in the Gulf worth going to war for.

In explaining the U.S. motives, Mr. Bush has stopped emphasizing the need to protect oil supplies, an issue he once cited along with the need to resist aggression.

He now concentrates on opposing aggression. There are critics of both rationales, and a fear of repeating the Vietnam experience of suffering great loss of life for little purpose.

Already, political leaders in both parties have warned the White House that while Mr. Bush has a national consensus for the steps he has taken so far to defend Saudi Arabia and isolate Iraq, that may not hold for a costly offensive to drive the Iraqis from Kuwait.

There is criticism from his own

See DEBATE, Page 6

Saudis Fear Chaos in Mideast if Iraq Is Annihilated

By Caryle Murphy
Washington Post Service

JIDDA — A war against Iraq should not end with the complete destruction of Baghdad's military capability because Iraq is the strongest Arab deterrent to both Israel and Iran, many Saudis say.

This theme, and the concern it reflects about upsetting the regional balance of power, has come up frequently in recent interviews with Saudi officials and ordinary citizens who are pondering the long-term repercussions of a Gulf conflict.

Like the Bush administration in Washington, the Saudi government has not publicly spelled out exactly what its war aims would be, beyond liberating Kuwait.

"War has to be well-established and well-planned," a Saudi official said. "Are we going to war to liberate Kuwait or to enter Baghdad? Until now, nobody has decided what the plan is."

There are several other factors that officials here say are being debated as the government prepares for a war.

They include: how hard and long the Iraqi Army in Kuwait would fight; whether President Saddam Hussein of Iraq would follow through on his threat to attack Israel if war began, and how dependable the Americans would be as an ally if the conflict turned into a long one.

It is difficult to determine how deep the divisions in these debates are, given the secretive nature of the Saudi government. But it is clear that with more time to think about going to war, more voices and opinions are being raised.

King Fahd will ultimately make the decisions. "There are no hawks and doves here," an official said. "Only him."

The most difficult and important issue for the Saudis concerns Iraq's future.

Most Saudis want to see Mr. Hussein removed from power, and they are deeply concerned about the threat that Iraq's military arsenal, including chemical and biological weapons, poses to their country. Privately, officials also say they will demand "guarantees" that Iraq will never again be able to threaten the kingdom or the other Gulf countries.

At the same time, Saudis say they do not want to see another Arab country brought to its knees. Nor do they want the Arab world's military might decreased to the point that Israel and Iran would be tempted into military adventures.

"We are afraid that if all of Iraq's military equipment is annihilated, there will be a vacuum in the area," a Saudi diplomat said. "Who will be the biggest power? Israel first, and second it will be Iran."

"Do we want to force Iraq out of Kuwait? Do we want to force out Saddam? Do we want to destroy Iraq?" asked Abdulaziz Fayez, a professor of political science in Ri-

See REGION, Page 6

Kiosk

Rate-Cut Hopes Lift N.Y. Stocks

New York stock prices surged as expectations grew that the Federal Reserve Board would signal lower interest rates at a meeting Tuesday. The Dow Jones industrial average jumped more than 50 points. (Pages 13 and 14.)

Dow Close
Up 51.74
2,540.35

The Dollar In New York

DM	1.479
Pound	1.9635
Yen	128.55
FF	4.97

Berlin Squatter Riot

BERLIN (AP) — Hundreds of squatters threw rocks from rooftops and fired flare guns for about two hours Monday at riot police after evictions. The police responded with tear gas.

General News

France took part in NATO plan for a resistance to Soviet invasion. Page 7.

Congress confronts how to deal with Pentagon suppliers guilty of fraud. Page 3.

Classified Ads	Page 8.
Crossword	Page 12.
Weather	Page 2.

Koji Sasahara/The Associated Press

TIME OF CHRYSANTHEMUMS — Emperor Akihito pacing away from the Chrysanthemum Throne on Monday in Tokyo after his enthronement ritual. Page 8.

Bishops Urge U.S. To Limit Gulf War

Church Teachings Rule Out Civilian Targets, They Say

The Associated Press

WASHINGTON — Roman Catholic bishops in the United States called for sharp limitations Monday on any use of American military force in the Gulf.

They said church principles ruled out any tactics that would target civilian lives, adding that a Gulf conflict would have to be a "limited war."

They urged Washington to "stay the course of persistent, peaceful and determined pressure against Iraq" for a nonviolent solution.

The position was set out in the opening session of the annual fall meeting of the National Conference of Catholic Bishops.

After long discussion, the bishops voted, 249 to 15, to endorse a letter on the Gulf crisis written by Archbishop Roger Mahony of Los Angeles, head of the conference's international policy committee.

The letter was sent last week to Secretary of State James A. Baker 3d.

It said resorting to war would violate principles set down in the church's "just war" theory by jeopardizing many lives, raising moral questions and undermining the international solidarity against Iraq.

After affirming the letter's position, the bishops voted, 126 to 118, to modify their agenda to hold a special closed session later on the Gulf crisis.

■ EC Appeal on Hostages

William Drozdiak of The Washington Post reported from Paris:

The European Community, seeking to halt the spectacle of self-appointed emissaries imploring President Saddam Hussein of Iraq to free their countrymen, appealed for help Monday from Muslim and nonaligned nations to persuade Baghdad to accept United Nations mediation of the hostage issue.

Foreign ministers from the 12 EC nations met in Brussels with their counterparts from five North African nations and urged them to "use their good relations with Iraq for the cause of humanity," according to Foreign Minister Hans-Dietrich Genscher of Germany.

The European ministers renewed pledges made by their national leaders at a meeting in Rome last month not to negotiate over the fate of thousands of foreign hostages held in Iraq. They also vowed to discourage individual missions to Baghdad. Elder statesmen such as former Chancellor Willy Brandt of West Germany and former Prime Minister Yasuhiro Nakasone of Japan visited Mr. Hussein and were allowed to return home with some of their fellow citizens.

Mr. Brandt's mission was severely criticized by allies because it was endorsed by the German government shortly after Chancellor Helmut Kohl backed the Rome pledge.

Mr. Kohl reportedly refrained from objecting to Mr. Brandt's trip because he did not want to see it become an issue just before German elections on Dec. 2.

The European ministers agreed Monday to exert diplomatic pressure on Baghdad to receive Sadruddin Aga Khan, a special envoy appointed by the UN secretary-general, Javier Pérez de Cuéllar, to seek freedom for all the hostages.

Japanese See U.S. Hand Behind Nascent Supermarket War

By David E. Sanger
New York Times Service

TOKYO — A few months ago the Summit supermarket in Nakano, a quiet neighborhood on the west side of Tokyo, posted notices that it would stay open an hour later, every day, until 7 P.M.

Within hours, the store was mobbed by owners of small shops, who carried protest signs and shouted accusations that Summit was being unfair to them.

The crowd kept up its protest until the store's management came out to negotiate.

"They acted without talking to us," said Michihisa Ando, who owns a small camera store a few blocks away. "That is why we got so mad."

Throughout Japan, battles over hours, floor space and other matters are beginning, involving large stores, maverick mid-sized stores like Summit and the traditional family-owned businesses that have long dominated retailing in Japan.

The instigator of this turmoil is the United States.

Washington has long complained of Japanese barriers to trade, and after years of resistance, Japan agreed earlier this year to weaken the power small shopowners have to keep bigger competitors out. That has radically improved the economics of opening large stores here.

But it is not clear that the new large stores will sell many more imported goods than small shops, or that they will help drive down the cost of consumer goods, thereby increasing consumption, the assumptions that underlay the U.S. demands for change.

For one thing, with a few exceptions like Toys R Us Inc. and Tower Records, the big retailers now rushing into previously off-limits neighborhoods are largely owned by Japanese, not Americans.

The agreement to foster competition was an important concession Japan made after Prime Minister Toshiki Kaifu and President George Bush, in talks last spring in Palm Springs, California, broke the deadlock in trade negotiations.

In the talks, Japan agreed to toughen its antitrust enforcement and loosen the relationships among Japanese companies that exclude outside suppliers.

The United States vowed to cut its budget deficit, increase savings, and improve education in hopes of making its economy competitive.

Without question Japan's antiquated and inefficient retailing system, in which wholesalers sometimes send a truck to deliver five boxes of detergent and the abacus still reigns supreme, is an area in which one can clearly see the results of the trade talks with Japan.

In the first half of this year, according to the Nihon Keizai Shimbun, Japan's leading economic daily, 1,600 large retailers said they would open more stores or greatly expand existing ones. That is double the figure in all of 1989.

Many large retailers report that they are meeting resistance as smaller communities drag their feet. Already, however, there are beginnings all over the country for the construction of shopping malls and large stores.

"I think we are beginning to prevail," a Japanese

See JAPAN, Page 14

Legal Labyrinth Marks Apartheid's Last Stand

By David B. Ottaway
Washington Post Service

UITENHAGE, South Africa — For Adam Jeeva Mussa, the wheels of apartheid justice grind on relentlessly, even into the dawning of a new South Africa.

The government has promised to repeal in just a few months the 30-year-old Group Areas Act, which forbids nonwhites to live or buy property in white areas, but it also has decided to press charges against Mr. Mussa for 77 alleged violations of the act, stemming from his purchase since 1980 of 24 properties in white areas of this car-manufacturing center.

President Frederik W. de Klerk has proclaimed to the outside world the death of apartheid, the system of racial separation, but at home his government is still prosecuting individuals such as Mr. Mussa under apartheid laws. If apartheid is dying in South Africa, it is going down fighting in Uitenhage.

"It's making a mockery of what de Klerk is saying the world over," said Louis Khumalo, a public relations agent whom Mr. Mussa has hired to publicize his plight. Meanwhile, Mr. Mussa's lawyers are hoping to drag out the case until the law changes.

By his own and other accounts, Mr. Mussa, 51, is one of the community's richest citizens and biggest taxpayers. He owns some of the main business centers in town, and his companies employ 800 people.

Mr. Mussa's story — unlikely anywhere but in South Africa — is as complex as the labyrinth of laws that governs his life.

Mr. Mussa has said he is white, and that's the problem. The state says he is not. It categorizes him as one of the mixed-raced South Africans known as Coloreds. So — and this is a unique aspect of life in South Africa under laws that date back to 1950 — Mr. Mussa and the government are having what is known as a race-classification dispute.

Mr. Mussa has been fighting the courts over whether he should be classified as white, Colored or Indian for 22 years.

At first, he wanted to be a "Colored Malay." His home was in a Colored area, and most of his friends were Malays. But the Race Classification Appeal Board said he was an Indian, because his fa-

See RACE, Page 6

Student Protesters Force Concessions By French Officials

By Alan Riding
New York Times Service

PARIS — Bending to pressure from a massive student protest movement that put over 100,000 demonstrators onto the streets of Paris on Monday, the French government announced an emergency plan to improve conditions in the country's 4,700 senior high schools.

While an additional 150,000 students marched peacefully in dozens of French towns and cities, the demonstration in Paris ended in confusion after gangs of vandals began looting stores, attacking journalists and clashing with police in Montparnasse and other Left Bank neighborhoods.

Later, police used tear gas and water cannons to prevent groups of youths, some wearing masks and hurling stones, from crossing the River Seine to the Right Bank. At least 90 police and an unknown number of youths were injured, and about 50 persons were arrested, the police said.

Ten cars were set on fire along the Quai d'Orsay, near the French Foreign Ministry.

The huge turnout of students here and elsewhere in France nonetheless underlined the strength of a movement that in barely three weeks has posed the government of President François Mitterrand and Prime Minister Michel Rocard with its most serious domestic challenge in two years.

The movement was touched off by the rape of a student in a suburban Paris high school in late October. Complaints about inadequate security soon led to broader demands for increased government spending to end overcrowding in classrooms, increase the number of teachers and improve facilities.

Significantly, the movement, which is being coordinated by three ad hoc student committees, has won considerable public support across France, not only from several teachers' unions and major political parties, but also from local mayors and parents' associations.

In a conciliatory gesture, Mr. Mitterrand, who has previously expressed sympathy for the students, received about 20 student representatives Monday night. A government spokesman said Mr. Mitterrand endorsed their demands for greater "democracy" at school and said that their other claims should be discussed.

Earlier, after meeting the same group, Education Minister Lionel Jospin, whose handling of the crisis has been widely criticized, promised that the details of an emergency plan would be discussed with student leaders this week.

In France, administration and financing of all secondary education is centralized in Paris.

The government, which has announced a 9 percent increase in its education budget for 1991, has already agreed to create 1,000 maintenance jobs, 100 supervisory posts and 3,000 security positions in the high schools. But student committees have demanded a more ambitious assistance program.

Some of the student leaders who met with Mr. Mitterrand and Mr. Jospin said that they wanted guarantees that the education budget would be further increased. "They did not talk about the budget," said Lelia Monteuil, one of the students. "We're still waiting."

Monday's demonstration, the largest to date, brought student representatives from throughout France who gathered first at the Place de la Bastille. Police ordered the main protest march dispersed before it completed its planned route to the Champs-Elysées after trouble erupted in the Latin Quarter.

The main march was orderly, with the protesters chanting slogans and holding banners, including one that said, "Money for Schools and Not for the Gulf War."

Rachel Fardel, an 18-year-old from Strasbourg, said her high school was dilapidated. "We're asking the government to do something about it," she said.

Another protester, Sandrine Roussel, had similar complaints.

"I'm here to protest everything that has gone wrong with national education," she said. "There are too many students taught by too few teachers who are also poorly trained. I hope that Jospin not only listens but also does something."

Student organizers had taken measures to prevent infiltration by agitators who were responsible for looting during a smaller demonstration Nov. 5 in Paris. But gangs of older youths began causing trouble in the Latin Quarter.

Monday evening, long after most students had left the area, roaming bands of youths tried to set fire to the Métro station at Pont de l'Alma and then were chased by heavily armed police throughout an area stretching from the Quai d'Orsay to the Eiffel Tower.

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Patrick Hertzog/Agence France-Presse

President François Mitterrand, left, meeting Monday at the Elysée Palace with a delegation representing French students.

Hard Times for Arab Institute

Benefactor Countries Fail to Fund Sleek Project in Paris

By Barry James
International Herald Tribune

PARIS — The Institut du Monde Arabe, which opened amid high hopes in Paris three years ago, is in financial trouble that has worsened since the Iraqi invasion of Kuwait.

With war signals building up in the Gulf, few of the 22 Arab governments that welcomed the first Arabic showcase in a major Western capital and pledged to pay some of its running costs have been bothering to send cash regularly.

The invasion of Kuwait removed one of the few countries that could be counted on to pay its quota regularly, according to Edgard Pisani, president of the body, the Arab World Institute in English.

Originally a project of former President Valéry Giscard d'Estaing "to make up in ideas what we lack in oil," the institute began life without any kind of financial endowment, but with a promise by the French government and the 22 members of the Arab League to see to its day-to-day funding.

France, which paid most of the capital cost of the 650 million franc ($130 million) building, has regularly contributed its 60 percent share of the budget, about 60 million francs last year.

But according to Mr. Pisani, only two Arab League members — believed to be Morocco and Tunisia now that Kuwait has dropped out of the equation — can be depended upon to pay their contributions to the other 40 percent. The only grain of comfort Mr. Pisani can extract from this is that most of the countries do not regularly pay their dues to the Arab League either.

The invasion of Kuwait removed one of the few countries that paid its quota regularly.

Mr. Pisani, a former government minister and member of the European Commission, made it clear in recent interviews that the regular payers do not include Saudi Arabia, which is responsible for a large proportion of the Arab quota, based on its oil wealth and population.

This has not prevented the Saudis — along with several other tardy or nonpayers — from interfering in the running of the institute.

The Saudis recently canceled an exhibition of photographs about their country without explanation. Iraq demanded the removal from an earlier exhibition of a caricature from Syria that some thought bore a resemblance to President Saddam Hussein.

But critics from the start said it was illusory to expect Arab governments to support cultural and intellectual diversity in Paris while suppressing it at home and putting propaganda in its place.

The institute, according to its governing board, has an intolerably heavy deficit, with the Arab countries owing about 150 million francs of the money they promised. The board is considering a major retrenchment, including job cuts, a halt to new acquisitions, and a refusal to mount new exhibitions or cultural events unless they are sponsored by third parties or governments and paid for in advance.

The financial crisis has to all intents and purposes shattered the dream that the institute — a striking, prow-shaped building along a bank of the Seine — could be an effective center of contact.

The original hope was that the institute would not only help ease the tensions between France and its 2.7 million Arab minority but also cement a special relationship between Paris and the Arab world, a relationship that is not entirely illusory judging from Iraq's decision to release all its French hostages.

The failure of Arab governments to contribute financially, and their difficulty in conceiving of cultural manifestations independently of national and political propaganda, risk turning the institute into something it was never intended to be — a French rather than a multinational center of Arabic culture.

Mr. Pisani, stressing the importance of joint participation of French and Arabs in the running of the building and its cultural program, said he would oppose a solution whereby the French government would take over the entire cost and operation of the institute in the name of Franco-Arab friendship.

On the other hand, the collapse of the institute would be a political embarrassment for President François Mitterrand, who supported the project as part of a policy to endow the capital with grandiose public buildings.

The institute rates as one of the most exciting new buildings in Paris. The shadow outline of the city's skyline is etched onto the dark glass facade along the river, while on the other side of the building, which receives most of the sun, thousands of computer-controlled diaphragms filter the incoming light into a myriad of geometrical patterns. Best of all for the casual visitor is the stunning view from the roof across the Ile St. Louis to Notre Dame Cathedral.

But the shortage of funds has meant the institute has never been able to fulfill its potential. The permanent museum collection, which features many pre-Islamic and non-Islamic artifacts, is selective rather than comprehensive.

Nevertheless, the institute has developed a busy program of lectures, movies and exhibitions. Last year it attracted a million visitors, including 400,000 for a temporary exhibition about Egypt.

Thatcher Defies Her Challengers

Reuters

LONDON — Prime Minister Margaret Thatcher came out fighting on Monday against a potential challenge to her leadership of Britain's governing Conservative Party.

Mrs. Thatcher made it clear, in a speech at a banquet given by the lord mayor of London, that she would give no quarter to anyone who dared oppose her in a leadership poll next week.

"I can assure you there will be no ducking the bouncers, no stonewalling, no playing for time. The bowling's going to get hit all round the ground," she said, using the jargon of cricket.

"That's my style," she added.

A former defense minister, Michael Heseltine, is considering challenging Mrs. Thatcher, who has led the government for 11 years, in a party ballot next Tuesday.

The Conservatives are split over Mrs. Thatcher's resistance to quicker European integration, an issue that prompted the resignation of her deputy, Sir Geoffrey Howe, on Nov. 1.

They are deeply worried about a downturn in the economy that has left them trailing up to 20 points behind the opposition Labor party in opinion polls as they prepare for a general election within the next 19 months.

Mr. Heseltine, or anyone else bold enough to challenge Mrs. Thatcher, must declare his candidacy by Thursday. The 57-year-old self-made millionaire was in Germany on Monday, maintaining his silence on a candidacy.

Mrs. Thatcher's supporters, gearing for battle, were polishing her image as an internationally respected leader whose presence is crucial at a time of possible war in the Gulf and historic decisions over the European Community.

The prime minister played on this theme in her speech, repeating Britain's determination to resort to military action if sanctions did not force Iraq to withdraw from Kuwait.

"I can't remember a time when the demands upon us — upon Britain and Western countries — have been greater," she said.

Earlier, Defense Secretary Tom King said it was wrong for anyone to challenge Mrs. Thatcher while President Saddam Hussein was heaping abuse on her and urging Britons to get rid of her.

The prime minister, using less strident terms than in the past, defended her commitment to protect Britain's national sovereignty against moves for greater unity within the EC.

Her stance on the Gulf and the 12-nation community reflects the gritty, nationalistic character that has been the essence of her appeal.

It is that character, seen by her opponents as bullying and by her backers as uncompromising, that is now under scrutiny as the fruits of her radical economic policies of the 1980s show signs of withering.

Two men who have publicly opposed Mrs. Thatcher in the past year have had embarrassing aspects of their private lives dragged through newspapers loyal to the Thatcher line.

WORLD BRIEFS

Israel, After Negotiations With U.S., Agrees to Meet With a UN Envoy

JERUSALEM (AP) — Israeli leaders have agreed to meet with a United Nations envoy as a compromise over a Security Council demand for a full investigation into the killings outside the Al Aqsa mosque on Temple Mount last month, Israeli radio said Monday.

A government official, confirming that Israel had worked out an understanding with the United States to accept the compromise, said that Israeli leaders would meet with Jean Claude Aimé, an envoy of UN Secretary-General Javier Pérez de Cuéllar.

The compromise calls for the special UN envoy to visit Israel, but not in connection with two Security Council resolutions censuring Israel and demanding an investigation, the official said. The compromise was aimed at heading off threats by the Security Council to take further measures against Israel.

The Security Council earlier criticized the police in Israel, saying that excessive force had been used in the Oct. 8 disturbances in Jerusalem. Seventeen Palestinians were killed and more than 140 wounded when the police fired on Arab demonstrators at the site, which is holy to both Muslims and Jews.

Censured Officer to Be Promoted

JERUSALEM (NYT) — The Israeli police announced Monday that the officer in charge of the Jerusalem Police District, who was severely criticized by a government commission that investigated the Temple Mount killings, would be promoted to a more senior position.

The announcement indicated that the police do not intend to discipline anyone for the shootings.

The national police commissioner, Yaacov Terner, who was himself rebuked in the commission's report, announced that Deputy Police Commander Aryeh Bibi would be promoted to full commander, in charge of the Police Manpower Division.

Pan Am Bomb Traced to Frankfurt

LONDON (Reuters) — A British police officer testified Monday that a bomb that blew up an airliner over Lockerbie, Scotland, two years ago killing 270 people joined the flight in Frankfurt.

A detective constable, Derek Henderson, told the inquiry into the incident, in Dumfries, Scotland, that "the conclusion I would draw is that the suitcase" containing the explosive device "came from the feeder flight 103A from Frankfurt."

The disclosure was the first public statement at the inquiry of where the bomb, wired into a radio cassette recorder in a suitcase, joined the Pan Am flight. The bronze Samsonite suitcase was an unaccompanied piece of baggage put aboard the Frankfurt-London leg of Flight 103 on Dec. 22, 1988, Mr. Henderson said. At Heathrow it was put on board the Boeing 747 jumbo for the doomed London-New York stage of the journey.

Bush and Baker to Visit Germany

BONN (AP) — President George Bush plans a short visit to Germany on Sunday, accompanied by Secretary of State James A. Baker 3d, the German government said Monday.

Mr. Bush will be greeted by Chancellor Helmut Kohl at the U.S. air base at Ramstein, a spokesman for Mr. Kohl said. The two leaders will travel to Speyer and to Mr. Kohl's home in Oggersheim for private discussions. Mr. Baker will meet with the German foreign minister, Hans-Dietrich Genscher, in Bonn.

The Gulf crisis is expected to be the major topic of the talks. On Sunday night Mr. Bush and Mr. Baker will fly to Paris for the Conference on Security and Cooperation in Europe.

Surprise Leader in Guatemala Vote

GUATEMALA CITY (Combined Dispatches) — Jorge Serrano Elias, a conservative, fundamentalist Christian was a surprise leader Monday in elections to succeed President Marco Vinicio Cerezo Arévalo.

Mr. Serrano led with 26 percent of Sunday's vote, with returns from 53 percent of the country's 5,630 precincts counted. A runoff election on Jan. 6 appeared likely, since none of the 12 candidates was in a position to gain a clear majority in Sunday's voting. Second in the preliminary results was Jorge Carpio Nicolle, a newspaper publisher, with 24 percent. Alvaro Arzu Irigoyen, former mayor of Guatemala City, had 20 percent. The candidate of the incumbent Christian Democrats, Alfonso Cabrera Hildago, had 15 percent.

The winner will inherit a 30-year-old civil war, a bankrupt government, 60 percent inflation and an epidemic of street crime and human rights abuse. *(AP, UPI)*

Salinas's Party Claims State Victories

MEXICO CITY (AP) — The governing Institutional Revolutionary Party of President Carlos Salinas de Gortari said Monday that it had won overwhelming victories in two major state elections that were seen as tests of the impact of changes to open up the political process.

But the opposition charged that the party resorted to fraud during Sunday's vote for state and local officials in the states of Hidalgo and Mexico.

Official results will not be released for a week. But Institutional Revolutionary Party officials said they appeared to be even or ahead in all 121 municipalities in Mexico state, which borders but does not include the capital.

For the Record

El Salvador death squad slayings, summary executions and torture persist in El Salvador, a UN human rights report said Monday. "Thus far in 1990, government action against humanitarian, trade union, peasants and other organizations has continued," said José Antonio Pastor, a university professor from Spain who compiled the annual report. *(AP)*

TRAVEL UPDATE

Airline Fare War Erupts in Pacific

SINGAPORE (AFP) — A price war has erupted over Pacific air fares amid a softening in the market, it was reported Monday. Business Times said the situation stemmed from prospective clients' postponing travel plans pending developments in the Middle East.

The daily newspaper said that three major airlines operating between Singapore and United States had recently cut prices to travel agents by as much as 500 Singapore dollars ($300). Singapore Airlines and Japan Air Lines cut trans-Pacific fares to $1,000, while United Airlines reduced its to $970, it noted.

It said that such carriers as Korean Air, Thai Airways International, Cathay Pacific Airways, Malaysian Airlines and Northwest Airlines were likely to follow suit.

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	10	50	6	43	o
Athens	16	61	8	46	fr
Barcelona	19	66	12	54	cl
Belgrade	0	32	-1	30	o
Berlin	10	50	9	48	r
Brussels	11	52	6	43	cl
Budapest	4	39	0	32	fo
Copenhagen	7	45	3	37	r
Costa Del Sol	21	70	10	50	fr
Dublin	17	63	11	52	o
Edinburgh	11	52	5	41	r
Faro	21	70	14	57	fr
Florence	15	59	8	46	r
Frankfurt	9	48	6	43	o
Geneva	12	54	7	45	cl
Helsinki	1	34	-6	21	fr
Las Palmas	26	79	20	68	fr
Lisbon	16	61	11	52	fr
London	14	57	10	50	r
Luxembourg	10	50	7	45	o
Madrid	15	59	6	43	fr
Milan	10	50	3	38	fr
Moscow	-1	30	-4	25	cl
Munich	10	50	6	43	cl
Nice	19	66	11	52	fr
Oslo	2	36	1	34	o
Paris	13	55	11	52	o
Prague	10	50	3	38	r
Reykjavik	9	48	5	41	o
Rome	14	57	8	46	cl
Stockholm	5	41	-4	25	fr
Strasbourg	10	50	6	43	o
Venice	15	59	6	43	cl
Vienna	5	41	1	34	r
Warsaw	3	38	2	36	o
Zurich	10	50	7	45	o

MIDDLE EAST

	HIGH C	HIGH F	LOW C	LOW F	
Cairo	24	75	12	54	cl
Istanbul	—	—	—	—	na
Manama	—	—	—	—	na
Riyadh	33	91	13	55	fr
Tel Aviv	22	72	11	52	cl

OCEANIA

	HIGH C	HIGH F	LOW C	LOW F	
Auckland	—	—	—	—	na
Sydney	—	—	—	—	na

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	31	88	22	72	fr
Beijing	18	64	1	34	fo
Hong Kong	23	73	22	72	fr
Manila	29	84	23	73	r
New Delhi	—	—	—	—	na
Seoul	17	63	5	41	fo
Shanghai	19	66	5	41	fo
Singapore	32	90	23	73	st
Taipei	23	73	20	68	cl
Tokyo	19	66	9	48	fr

AFRICA

	HIGH C	HIGH F	LOW C	LOW F	
Algiers	21	70	12	54	cl
Cape Town	19	66	11	52	fr
Casablanca	21	70	10	50	fr
Harare	—	—	—	—	na
Lagos	32	90	27	81	o
Nairobi	22	72	15	59	o
Tunis	19	66	15	59	r

LATIN AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	21	70	13	55	fr
Lima	—	—	—	—	na
Mexico City	24	75	5	41	fr
Rio de Janeiro	—	—	—	—	na

NORTH AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	-5	23	-20	-4	fr
Atlanta	20	68	6	43	fr
Boston	6	43	-3	26	pc
Chicago	4	39	0	32	pc
Denver	21	70	0	32	fr
Detroit	3	38	-5	23	fr
Honolulu	30	86	24	75	pc
Houston	24	75	10	50	fr
Los Angeles	29	84	15	59	fr
Miami	25	77	16	61	fr
Minneapolis	2	36	-2	28	pc
Montreal	-2	28	-6	21	pc
Nassau	26	79	21	70	pc
New York	6	43	-1	30	pc
Phoenix	31	88	14	57	pc
San Francisco	20	68	10	50	fr
Seattle	16	61	8	46	r
Toronto	0	32	-4	25	fr
Washington	9	48	-1	30	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Rain. Temp. 12—8 (54—46). LONDON: Overcast. Temp. 13—10 (55—50). MADRID: Cloudy. Temp. 14—4 (57—39). NEW YORK: Fair. Temp. 5—-1 (41—30). PARIS: Overcast. Temp. 14—10 (57—50). ROME: Cloudy. Temp. 13—9 (55—48). TEL AVIV: NA. ZURICH: Overcast. Temp. 14—7 (57—45). BANGKOK: Fair. Temp. 30—21 (86—70). HONG KONG: Fair. Temp. 24—19 (75—66). MANILA: Rain. Temp. 29—23 (84—73). SEOUL: Partly cloudy. Temp. 14—8 (57—46). SINGAPORE: Rain. Temp. 30—24 (86—75). TOKYO: Fair. Temp. 18—11 (64—52).

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صورة من الأصل

In a U.S. Prison, Busy $4 Million Factory Angers Private Competitors

By Michael Isikoff
New York Times Service

PETERSBURG, Virginia — Convicted drug traffickers, bank robbers and Mafia members at the sprawling federal prison here are making their own contribution to the U.S. military effort in the Gulf.

In a cable factory surrounded by barbed wire, the convicts are being paid up to $1.15 an hour to assemble jet fighter wiring parts and desert lighting kits, items destined for U.S. troops in the Middle East.

"We're supporting Operation Desert Shield," said Bill Stuby, assistant warden at the 1,100-inmate prison.

Once inmates did little more than stamp license plates or clean latrines. But convicts at the bustling $4 million factory here are part of the rapidly expanding work force of Unicor, a government corporation that in recent years has revolutionized the concept of inmate labor — and sparked a lobbying battle in the process.

Created by Congress 56 years ago to alleviate the idleness among inmates in federal penitentiaries, Unicor, run by the Bureau of Prisons, gives inmates low-paying jobs making goods for other federal agencies: combat boots for the Pentagon, office furniture for the General Services Administration, Smokey Bear signs for the Park Service and hundreds of other items.

In the past five years, the number of prisoners working for Unicor has increased 50 percent, to 14,000. Fueled by an increasing diversity of product lines, sales have jumped from $240 million to $360 million. Justice Department officials cite the growth as evidence that Unicor is a "government success story" that serves an important public purpose. But its booming business is also threatening to become Unicor's undoing.

In the just-ended 101st Congress, business and union groups charged that the Bureau of Prisons is using cheap labor to undercut private industry, hence putting honest, taxpaying citizens out of work. "They're taking jobs directly out of the private sector,'" said one of the lawyers hired by furniture interests to help spearhead the lobbying against Unicor.

Although it has received little public attention, the debate over Unicor reflects issues confronting correctional officials as they face the consequences of a toughening national attitude toward crime and drugs. Recent years have seen stringent anti-drug laws, longer sentences with no prospect of parole — and staggering increases in the number of prison inmates.

This year, the total U.S. prison and jail population is estimated to have topped 1 million for the first time. The number of federal prisoners has ballooned from 23,000 in 1980 to nearly 60,000, and is projected to top 100,000 by mid-decade.

Opponents of Unicor have suggested that inmates be assigned to such socially useful, noncompetitive jobs as making teddy bears that police can give to children.

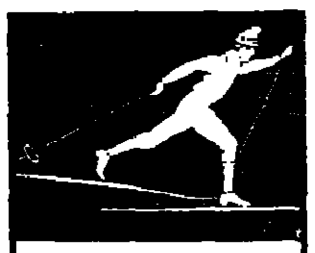
"Do we really want these million people coming out without any training, without a skill that they can sell on the outside?" asked Warren E. Burger, the former chief justice of the Supreme Court who has become one of Unicor's most ardent defenders. "One prison official told me that half of the people who come out of this prison couldn't even work in a filling station because they couldn't make change. What a hell of a thing for the most civilized society in the world."

Mr. Burger emerged as a key player during the congressional debate on Unicor this fall. Late in the session, representatives of labor unions that had been part of the anti-Unicor coalition persuaded Representative Barney Frank, Democrat of Massachusetts, to introduce an amendment to sharply restrict Unicor in major areas — furniture, textiles, apparel and footwear.

After the amendment passed the House as part of the omnibus crime bill, Mr. Burger sent letters to House and Senate conferees saying that the proposal would be "an incredible setback to one of the most enlightened aspects of the federal prison system." After receiving his letter, Strom Thurmond, Republican of South Carolina and the ranking minority member of the Senate Judiciary Committee, said he would not accept the amendment. The amendment died.

With federal prisons operating at 170 percent of capacity and new inmates arriving daily, officials say there is an even more pressing reason to continue expanding the Unicor program: It gives prisoners something to do.

"How long can you allow people to sit around with nothing to do?" said Patrick Whalen, the chief warden at Petersburg. "When you get inmate idleness you get discontent, and that breeds rebelliousness. If they burn this place down, it would cost $30 million to rebuild."



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Congress Confronts How to Deal With Military Suppliers Guilty of Fraud

By Richard W. Stevenson
New York Times Service

NEW YORK — Twenty-five of the 100 largest Pentagon contractors have been found guilty of procurement fraud in the last seven years, some more than once.

Yet not one has been barred from government contracting, and the renewed debate over how to discourage such fraud has produced no easy solutions.

The number of convictions and guilty pleas has accelerated in the last two years, with 16 cases involving 14 of the largest weapons makers.

They include Boeing, Grumman and Teledyne, which made payoffs to obtain confidential Pentagon documents; Rockwell International and Emerson Electric, which overcharged the government; and Fairchild Industries and Northrop, which failed to test certain weapons components or falsified test results.

Prosecutors, members of Congress and Pentagon officials have long struggled with how to punish contractors guilty of wrongdoing, trying to balance the extreme difficulty of cutting all ties to companies that build the nation's most sophisticated weapons against the need to find an effective deterrent to fraud.

The recent cases have focused more attention than ever on the problem, setting off a debate on whether the contractors should be permitted to continue doing business with the government and whether there might be effective alternative sanctions.

"Debarment is such a draconian penalty that it's almost never used," said Representative Charles E. Schumer, Democrat of New York, chairman of the House subcommittee on criminal justice. "We need to find a middle ground so that thousands of jobs and the national security won't be jeopardized but strong enough that it will serve as a deterrent."

Spurred by the increase in fraud cases, congressional committees have held numerous hearings in the last several months, and lawmakers are considering several proposals.

One would ban a contractor from all government business, a process known as debarment, for several years after a second fraud conviction. Another would prohibit companies from earning any profit on their government work for a specified period.

A third would call for a court-appointed "special master" to oversee all of a contractor's operations. Congress adjourned without taking action on the proposals, but legislators said they plan to address the subject in the next term.

"Congress has allowed this issue to fester for too long," said Representative Christopher Shays, Republican of Connecticut, a member of the House subcommittee on legislation and national security. "We're going to be bulldogs on this now, and there's no question there's bipartisan support."

In fraud cases contractors already face court-imposed criminal and civil fines and penalties, sometimes of millions of dollars. In some cases, the Pentagon has tried to discipline contractors through behind-the-scenes pressure to make management changes.

Pentagon officials have long argued it is impractical to go farther, because in many cases a company is the sole builder of a weapon and it could take years, and enormous expense, to find other suppliers.

Many members of Congress and some prosecutors, however, are increasingly arguing that only the threat of being barred from Pentagon contracts for several years, or similar sanctions, is a sufficient deterrent.

Small contractors are often barred by the Pentagon from doing business with the government for several years. But large contractors, on which the Pentagon relies most heavily, have never faced anything but temporary suspensions of their right to compete for contracts.

The suspensions usually last a few months and inflict little, if any, financial pain. Suspensions are almost always limited to a specific company division.

In half of the 16 cases involving large contractors in the last two years, the Pentagon took no action against the company. In the other cases, companies or their divisions were suspended for a period of months.

As often as not, however, the suspensions had little effect.

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Bearing Costs in Mind, Manila Shifts on Bases

By Michael Richardson
International Herald Tribune

SINGAPORE — Philippine negotiators are moving toward acceptance of a gradual American withdrawal from their country, rather than a sudden break, because of the high cost and complexity of converting giant U.S. military bases to commercial use, Western diplomats and analysts said Monday.

In a round of negotiations in Manila that ended Friday, the United States promised cooperation in converting the bases, but warned that it would be unable to do so if forced to leave quickly, diplomats said.

In apparent recognition of the problems involved in turning Clark Air Base into a joint civilian-military air hub beginning in September, Philippine negotiators conceded that U.S. assistance would be needed to operate the airfield beyond 1991.

They had earlier insisted that the Philippines must regain operational control, as well as sovereignty, over Clark by next September, while negotiating a U.S. withdrawal from Subic Bay Naval Base.

In an interview Monday, Tim J. Bearder, head of a team of consultants that recently completed a conversion study of Subic, said that the base had excellent potential as an international container shipping port. But he said that the conversion would need U.S. cooperation and take about about 10 years.

"It has got to be a logical, step-by-step process as business dictates," said Mr. Bearder, general manager of sales and marketing for Swan Hunter Singapore Pte.

The company, a unit of the Swan Hunter shipbuilding and design group of Britain, was asked to carry out the Subic Bay feasibility study by a Philippine council appointed by President Corazon C. Aquino in September 1989 to work out alternative uses for the U.S. bases.

A 1947 military bases agreement that allows U.S. forces unhindered access to Clark, Subic Bay and four other smaller installations will expire next September.

A spokesman for the U.S. negotiating panel said in Manila on Monday that the broad terms of an accord that would allow U.S. forces to remain in the Philippines beyond 1991 were starting to emerge.

The spokesman, Stanley Schrager, said that the agreement would include a transition period of a length to be worked out when U.S. and Philippine negotiators meet for their next round of talks in December. "The outline seems to me to be a favorable one," he said.

The American team, led by Richard L. Armitage, has proposed a gradual reduction in the U.S. military presence in the Philippines over 10 to 12 years, followed by continued U.S. access to the bases, possibly on a commercial basis.

Mr. Armitage said last week that the offer of "partnership in the process of transforming military facilities by phasing down the U.S. presence while phasing in joint use, commercialization and new economic enterprises" remained on the table.

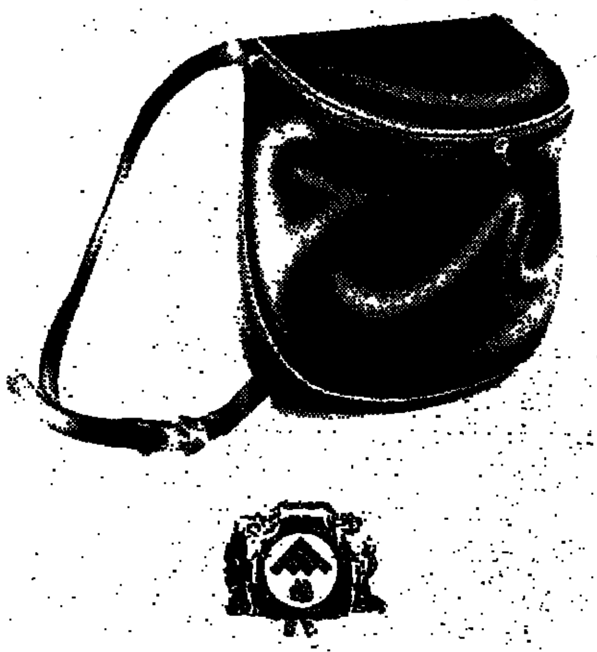
In evident reference to the critical issue of timing, he added, "Our two countries have but one opportunity to manage this transformation."

None of the conversion studies tries to estimate the overall cost of converting the bases to civilian use, but analysts said it would run into billions of dollars.

Western diplomats said that a precipitate U.S. departure would cause serious unemployment and hardship, particularly for Philippine communities around Clark and Subic, located about 80 kilometers (50 miles) north of Manila.

The bases, among the largest U.S. overseas military installations, provide direct employment to about 80,000 Filipinos and are estimated to inject about $1 billion a year into the Philippine economy, including $481 million in economic and security aid.

Philippine consultants to the bases council have recommended that Clark be converted into an international airport with military and civilian sections.



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INTERNATIONAL Herald Tribune
Published With The New York Times and The Washington Post

A Little Courage on Trade

After years of intransigence, and only weeks before the Uruguay Round of international trade talks is scheduled to end, the European Community offered last week to trim its protectionist farm policies. The European leaders did not offer much in the way of concessions. But the proposal will at least keep the trade talks alive.

Third World exporting nations threatened to pull out of the talks if industrialized nations refused to let in more food and textiles. In exchange for greater access, the Third World would negotiate new rules — important to the developed nations — governing trade in agriculture, services and intellectual property.

Until last week, the European leaders — primarily at the insistence of the French and Germans — had refused to budge.

Despite the new proposal, the negotiators remain far apart. If a deal is to be struck before the December deadline, President François Mitterrand, Chancellor Helmut Kohl and President George Bush will have to take charge, and soon.

The EC proposal would cut farm subsidies by 15 percent from current levels. That is a far cry from the demand of the United States and a group of 14 agricultural exporting nations, to cut price supports by 75 percent and export subsidies by 90 percent.

And the proposal includes an objectionable provision that would, in effect, allow the EC to *increase* tariffs on American soybeans and some other products.

The Europeans are not the only obstinate leaders. The Japanese will not agree to import rice; and the United States proposes to exempt telecommunications, aviation and shipping from the new regulations governing service industries.

The common thread in these difficulties is the willingness of government leaders to sacrifice the well-being of the vast majority of their citizens to protect the economic privileges of politically powerful industries.

European taxpayers pay huge sums, more than $100 billion each year, to support a handful of inefficient family farmers.

Yet President Mitterrand and Chancellor Kohl, who faces an election early next month, fight to preserve these outrageous subsidies. To its credit, the Bush administration seems willing to stand up to farm and textile interests.

But it has caved in to the shippers, undermining a clean U.S. bargaining position.

The economic gains from an international trade agreement would be enormous, adding perhaps $1 trillion to the U.S. economy alone. To reap these benefits, the Western leaders will have to stare down the special interests.

— *THE NEW YORK TIMES.*

We've Heard This Before

President George Bush still has not figured out where to head next, having reached his budget agreement with Congress. At a news conference Thursday he presented himself at one point as the agreement's protector, warning the legislators against violating its terms. Its enforcement provisions, he said, were "one of the great things" about it "that I am determined to live by, and . . . to make Congress live by": by curbing spending, they should "negate the insatiable desire on the part of some . . . on the Democratic side to raise taxes."

That is fine, and we hope he does vigorously enforce the rules, but a few answers earlier he had suggested that he might be the one to break them.

"When the economy is slow, you want growth incentives," he remarked, and he returned to a subject you might think the last month would have cured him of: his goal of cutting the capital gains tax. There are plenty of reasons why this is a bad idea, starting with the fairness issue, on which the president and his party were taking such a beating as Congress adjourned. About 80 percent of the benefit of a cut in the gains tax would go to the richest 2 to 3 percent of the population. By widening the gulf between gains and ordinary income, a cut would also reverse tax reform, invite tax shelters, distort investment decisions and, in the long run, probably fail in its stated purpose of stimulating the economy. But an even more basic objection in the current context is fiscal. Over time, like any tax cut, this would cost the government money. To keep the proposal from violating the new budget rules the president is pledged to enforce, it will have to be accompanied by spending cuts or offsetting tax increases that will vitiate the stimulus that is its purpose.

It is fair enough for the president to maintain, as he also did at the news conference, that he continues to be opposed to tax increases and that the ones to which he reluctantly agreed in the budget pact, in violation of his famous campaign pledge, were a one-time-only affair. For one thing, they may be all the increase a weak economy can take right now; together with the spending cuts in the pact, they may also be enough over time to move the structural deficit out of the danger zone.

But it is astounding of the president to go beyond that and say the country can grow its way out of trouble through tax cuts. The last time you heard that was in 1981, about $2 trillion of debt ago. It has just taken more than a year and more than a little of the president's political capital to put fiscal policy back on solid ground. The last thing he should want to do is squander that and dive back in the swamp.

— *THE WASHINGTON POST.*

The Mudslinger Is Repaid

Filthy campaigning can be fatal to politicians who practice it. This notion has been more a prayer than an axiom. Then came Minnesota. Senator Rudy Boschwitz, a Republican, began his race for a third term with a lead called "insurmountable" and $7 million to keep it that way. But on Election Day he surrendered his seat to Paul Wellstone, a jocular professor who had a green-and-white campaign bus but only a fraction of Mr. Boschwitz's bankroll and name recognition.

Mr. Boschwitz, judging from responses to poll questions, had seemed exempt from the anti-incumbent sentiment that narrowed some margins of victory elsewhere. Nor did he seem affected by the storm over the sexual misconduct of a Republican gubernatorial candidate. It is more plausible that Mr. Boschwitz lost because of his own toxic political endgame.

Minnesota newspapers appropriately scourged the ads that Mr. Boschwitz ran late in the campaign. One spot fabricated a "Wellstone Budget" that supposedly would double the taxes of everyone who earned more than $20,000. Another ad, meant to frighten the elderly, falsely claimed that Mr. Wellstone, who favors national health insurance, would abolish Medicare. A radio broadcast to rural Minnesotans said he advocated abortions in the ninth month at taxpayer expense — a potent lie borrowed from North Carolina, where Senator Jesse Helms applied it against Harvey Gantt.

The Boschwitz campaign's single most self-destructive move may have been its Nov. 1 appeal to "Our Friends in the Minnesota Jewish Community." Both Mr. Boschwitz and Mr. Wellstone are Jews. But a letter from the Boschwitz campaign criticized Mr. Wellstone for raising his children as "non-Jews" and for having "no connection" with the Jewish community. It also charged that Mr. Wellstone was too close to the Reverend Jesse Jackson, and, by fantastic extension, to the radical Louis Farrakhan and Yasser Arafat. The Minneapolis Star and Tribune denounced this, on Election Day, as "The Lowest Political Blow of Them All."

Mr. Wellstone's campaign ads were clean, and funny, extraordinary political comedy. They stayed clear of personality, and focused on Mr. Boschwitz's record and on the issues.

In one of the best spots, "Fast-Paced Paul," Mr. Wellstone satirized Mr. Boschwitz's millions superbly. Warning the viewer that he has to move fast for lack of cash, Mr. Wellstone dashes through the state, pausing for a second or two with his family, then his house, then a farm, delivering breathless statements as he goes. In another, "Looking for Rudy," based on the film "Roger and Me," he searches Mr. Boschwitz's offices in vain, seeking a debate. On the screen, chagrined Boschwitz campaign workers stand by awkwardly as the little professor chats and smiles, and leaves his own campaign literature. He takes a Boschwitz pen because, he explains, the Wellstone campaign is about broke. Two other spots showed only Mr. Wellstone's portrait being splattered with mud.

Mr. Boschwitz's nine-point lead evaporated in the last few days. His loss offers a welcome cautionary tale for those who campaign in the sewer.

— *THE NEW YORK TIMES.*

Other Comment

India: Hell to Pay

India has been secular since independence in 1947, but this has not prevented desperate politicians from playing the communal card. Whether from the majority community or from the minorities, whether from the ruling party or from the opposition, politicians have exploited religion to gain votes. But there is hell to pay. Will anyone learn? A new leader, a new government, another general election — the cynical cycle continues. The painful truth is that communalism is not the symptom of a disease but a disease itself.

— *The Straits Times (Singapore).*

It is unrealistic to brand 600 million Hindus as extremists and condemn the whole community for the continuing violence involving the Muslims and the [lower] castes. The rightist Bharatiya Janata Party has support from the entire Hindu community and will, sooner rather than later, press for establishment of Hinduism as the country's state religion. India's ability to achieve its noble secular goals would make sense only after and not before it has given Hinduism its due place in the state. Only a powerful Hindu state government would have the ability to protect minorities.

— *Dialogue (Dhaka, Bangladesh).*

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Beware a Phony Peace Offensive From Iraq

By William Safire

NEW ORLEANS — President George Bush sent his secretary of state to inform America's allies that a military strike at Saddam Hussein has been postponed until a period "between Christmas and Ramadan" — late January is now the best guess, when the U.S. military's last kitchen sink is in place in Saudi Arabia.

As the moment of decision approaches, however, the Iraqi leader is likely to launch a peace offensive. He may offer to meet the visiting Mr. Bush in Cairo late this month, for example, or to dispatch his Jordanian puppet to Paris with an offer to discuss withdrawal from Kuwait (which President François Mitterrand would leap at). This would be a rehash of the phony Iraqi proposal that everyone withdraw from everywhere, but a Christmas wrapping would provide a pretext for delay.

Saddam is playing for time — time for his own Manhattan Project.

Why does Saddam Hussein play for time — bringing in political palookas and has-beens from Jesse Jackson and Kurt Waldheim to Edward Heath and assorted Germans and Japanese — trickling out some hostages as he rounds up replacements?

The reason is that every month Iraq goes unbombed brings it a step closer to production of nuclear weapons. Once he gets his Saddam bomb, no land force however powerful would dare invade; and as his Tammuz missile is perfected, he can impose nuclear blackmail on the superpowers.

Oh, but that is years away, says the appeasement movement. Maybe he will get religion, or get overthrown, or die of natural causes between now and then; besides, Arabs are not scientists — the West will refuse to help and he will never build the bomb.

Let us throw a couple of unrevealed facts at that racist notion.

At the airport in Frankfurt just three weeks before the invasion of Kuwait, German Customs officials inspected a curious shipment of a thousand metal parts on its way from Switzerland to Iraq. German technicians were called in and tested the metal: It was a strategic material known as "350-grade maraging steel," its exportation controlled because the high tensile strength alloy is used in high-speed gas centrifuges.

German police, sensitive to charges in the press that past laxity had led to Iraqi and Libyan poison-gas production, impounded the shipment and tipped off high-level officials in Switzerland.

Swiss authorities realized that their customs inspectors had been either incredibly naive or had been corrupted. Three weeks later, just after Iraqi forces swept into Kuwait, Swiss police raided a production facility a half-hour's drive from Bern.

Five computer-controlled lathes were found there, being readied for shipment to Iraq under the guise of optical machinery, along with 30 centrifuge parts similar to those seized in Frankfurt. The dismaying discovery: The handful of sophisticated machines remaining to be shipped were the tail end of a large order that had already been delivered to Iraq — with the approval of Swiss Customs.

What all this means — ask any atomic scientist — is that Iraq is now, today, in the business of producing gas centrifuges on its own. With the first few thousand off the line, a "cascade" can be set up to separate U-235 from uranium in a gaseous state. Each cascade can turn out 50 pounds (22.5 kilograms) of weapons-grade uranium — enough for a city-destroying atom bomb — every three months.

The point is that Iraq has achieved the ability to make its own arsenal without more outside help. We could keep on an airtight embargo, or we could cut a deal that includes his heartfelt promise to let us inspect civilian reactors; neither strategy would stop him from building bombs at a variety of secret sites.

Under a sense of urgency even greater than in America's Manhattan Project, Iraqis working by themselves will produce deliverable bombs much sooner than complacent analysts predict.

Look: It is possible that my information is all wet. Or perhaps another Al Qaqaa explosion, the investigation of which cost the reporter Farzad Bazoft his life, will set back bomb production. Or maybe a coup or heart attack or midlife crisis will remove the Saddam threat. All are long-shot possibilities — but are we willing to bet the world on them?

We face a dictator who has caused a million casualties, created a million refugees and reintroduced the horror of poison gas, and who kidnaps civilians for use as human shields. He has demonstrated he will stop at nothing to extend his rule.

All he needs is time. And with each passing month, with each escalation of preparation, with each excuse for diplomatic delay — time is exactly what we are giving him.

The New York Times.

Japan and the Gulf: The Debate, at Least, Is Opened

By Takujiro Hamada

TOKYO — Japan has just completed a bitter domestic debate over the creation of a "UN Peace Cooperation Corps," including members of the nation's military, to help in resolving the Gulf crisis. Those who defeated the measure called it a return to militarism and a renunciation of the clause in Japan's constitution that forbids use of force abroad.

Both criticisms were invalid. But the measure did represent a nascent change in Japan's national policy — a change that Japan must eventually find the political courage to make.

The Gulf crisis has underscored a serious shortcoming in Japan's ability to respond effectively to threats to global peace. Despite a sizable monetary commitment to the forces opposing Iraq, Tokyo has met a storm of criticism for failing to contribute on the scale expected of a major nation whose citizens are among those threatened by Iraqi brutality.

Japan, too, is not satisfied with simply "throwing money" at such problems. In considering a law to provide a legal basis for dispatching trained military and civilian personnel to join in UN peacekeeping operations, Japan was acting on its own initiative.

Why? Since entering the United Nations, Japan has strongly supported the concept that the organization should play the central role in preventing aggression and solving conflicts without resort to force. The Peace Cooperation Corps would have given concrete support to that ideal.

True, our military, known as the Self-Defense Force, was created to respond only to direct threats to Japan; any new law must clarify what the SDF and other personnel can do in the international arena. But the corps would have been deployed only under UN auspices and would have been barred from using force, except as needed for personal protection.

In no way, then, did the proposed measure violate the constitution or require a constitutional amendment.

The law just killed in the Diet therefore served two important ends. It was the first step toward allowing Japan to participate — meaningfully and visibly — in UN peacekeeping activities. And it deflated the argument from the extreme right that the constitution should be rewritten because it prevents Japan from playing an appropriate role in world affairs.

In effect, the Diet has just completed its most serious examination in decades of Japan's role in the international order. Potential areas of compromise were evident, and a new version of the bill may be passed in the session that begins next month. (Prime Minister Toshiki Kaifu's agreement Friday with two opposition parties to send a civilian contingent to the Gulf region should have no bearing on this debate.)

Article 9, barring use of force abroad, was a critical feature of the constitution imposed on Japan in 1947. It was welcomed by the war-weary population then, and few challenge it now. It is difficult for others to understand the depth of passion the Japanese feel today toward the principle that force is impermissible as a means of settling international disputes. But this has become a national ethos, a moral value defining modern Japan. It has the character of a Kantian categorical imperative.

Moreover, military conflict almost anywhere on the globe can harm our economy by affecting the free flow of trade. The desire to maintain global peace is thus a matter of protecting vital national interests as well as a fundamental moral principle.

Among Japan's neighbors, China is usually the most vocal about the possibility of unwanted changes in Japan's security posture. But since China has Asia's largest army and its only nuclear weapons, it is hard to see what Beijing has to fear from the SDF and its modest, short-range weapons.

Japan, a model citizen of the world for 45 years now, must build trusting relationships with Asian nations, and bury any lingering suspicions.

As Henry Stimson said while serving as Roosevelt's war secretary in the 1940s, to prove someone is trustworthy one eventually has to trust him.

It is time for the world to accept that Japan's primary foreign policy goal is to further global peace and resolve conflicts without resort to force. In the post-Cold War era, this goal seems more attainable than ever.

The writer is a member of the lower house of the Japanese Diet and a former vice minister of foreign affairs. He contributed this comment to the International Herald Tribune.

Kahane's Painful Truth

By Walter Reich

WASHINGTON — Until his assassination last week, Meir Kahane's most enraging quality for many liberal Israelis was his surgical ability to expose and pierce their most terrifying contradictions.

These Jews of goodwill — ready more than almost any people in any nation to risk their country's survival and their own in a gamble for acceptance and peace — recognized in Mr. Kahane's rantings a core of painful truth. Even if the gambles they advocated were risked, even if the occupied territories were given up and even if the resulting Palestinian state would let them live in peace, the Arabs left in Israel — all of them citizens of the democratic Jewish state and now more opposed than ever to the existence of Israel — might, as Mr. Kahane warned, grow numerous enough within a few decades to undo by their votes the Jewish character of the country.

In the long run, Mr. Kahane argued, even if Israel gave up the West Bank and Gaza, it could not hold on to both its democratic identity and its Jewish one. Liberal Israelis, he insisted, had to choose one identity or the other.

Most such Israelis chose, instead, to get angry with Mr. Kahane. After Jews had lived at the mercy of hostile Christian and Muslim populations for centuries — and been horrendously massacred because of their religion — the idea that they might not be able to sustain a Jewish state within their ancient homeland, one in which they could determine their own future and defend themselves as Jews, was for these Israelis astonishing.

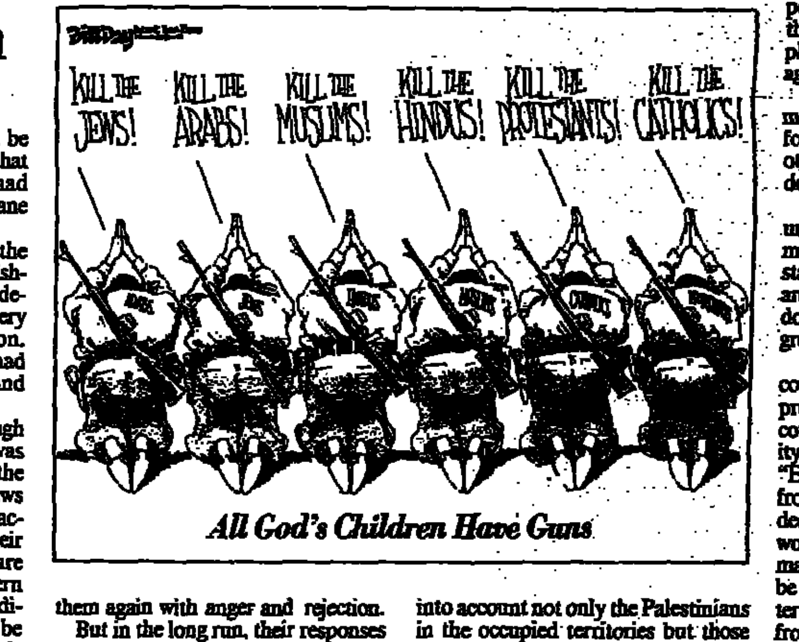
No less astonishing was the idea that such a Jewish state could not be built on the democratic principles that Western political experience had shown to be the most just, humane and stable bases for governance.

Rather than having to consider the need to choose between one astonishment or the other, these Israelis decided to avoid recognizing the very possibility of the contradiction. When Mr. Kahane insisted they had to do so, they reacted with anger and wholesale rejection.

That Mr. Kahane provided enough cause to reject him helped. He was indeed a racist who appealed to the lowest passions. He expressed views about Palestinians and advocated actions against them, particularly their "transfer" to Arab countries, that are incompatible with current Western democratic standards of with traditional Israeli ones. They were, to be sure, compatible with the standards of rhetoric and behavior toward Jews in most Arab countries; but most Israelis wanted to hold themselves to standards that were democratic and liberal, not local and inhumane.

So it was easy for these Israelis and their American friends to reject Mr. Kahane's challenging demographic and social analyses, because those analyses were part of the larger package of Kahanism that was fouling Israeli society and besmirching Jewish traditions of justice, kindness and mercy.

Mr. Kahane's assassination will again bring to the fore the inconsistencies and perplexities in the identity, nature and future of Israeli society he has so troublesomely articulated. Many Israelis will surely respond to them again with anger and rejection.


KILL THE JEWS!
KILL THE ARABS!
KILL THE MUSLIMS!
KILL THE HINDUS!
KILL THE PROTESTANTS!
KILL THE CATHOLICS!

All God's Children Have Guns

But in the long run, their responses must be more useful and serious than that. The man's policies are unacceptable, even loathsome; but if his arguments contain any truth, they must be dealt with.

A political arrangement that makes possible an Israel that can sustain, indefinitely and confidently, its character as both a Jewish state and a democratic one must be found. Such an arrangement, if it preserves Israeli security as it provides greater opportunity for Palestinian self-governance, would fulfill at least some of the aspirations of the Palestinians even as it fulfills at least some of the aspirations — and averts the most lethal of the contradictions — of the Israelis.

Clearly, for such an arrangement to be successful, it would have to take into account not only the Palestinians in the occupied territories but those in pre-1967 Israel; demographic probabilities would have to be calculated with care and realism. Such an arrangement would have to ensure the continued viability of full democracy in an Israel that remains the Jewish homeland. Just how this could be ensured is by no means clear, but its evident necessity is perhaps the only beneficial, and surely unintended, legacy of Meir Kahane.

In 1984, in Jerusalem, soon after he was elected to the Knesset by 1.3 percent of the Israeli electorate, Mr. Kahane told me that he expected to be assassinated by an Israeli Jew. That he reportedly was assassinated by an Arab living in America reflects, in some ways, the changes that have taken place since then, particularly the widening of the Arab-Israeli conflict. These changes have been profound ones, and presage ones still more profound if Jews as well as Arabs fail to disenthrall themselves from the paralysis that makes compromise ever less likely and Mr. Kahane's dark and descending vision ever more possible.

The writer is a senior scholar at the Woodrow Wilson Center. He contributed this view to The Washington Post.

Fearful Times for Indian Democracy

By Paul Johnson

IVER, England — The defeat and resignation of V. P. Singh's government in India is only one consequence of a wave of sectarian and religious violence that is sweeping through the world's largest democracy and threatening its very existence.

India is a strange land, an extraordinary mixture of fanaticism and tolerance. When it gained independence in 1947, few people who knew it would have predicted that, more than 40 years later, it would still be a constitutional democracy. Huge, unwieldy, poor, divided by faith, caste, race and income differences, India has somehow kept its democratic virtue. The press is free. Honest elections are held. The rule of law, battered at times, survives.

Yet India is a schizophrenic country. It has never been held together except under a conqueror. That indeed is the reason why British rule, for a time at least, was so successful. The people of India were so divided among themselves, and so bitter in their mutual hostilities, that they welcomed an outsider who could arbitrate their disputes in a disinterested manner.

Once India withdrew its confidence from Britain, as it did during 1935-45, the British had to go. But immediately a process of disintegration set in, beginning with the partition into two states, one Muslim, one predominantly Hindu. And later the Muslim state split, forming what is now Pakistan and Bangladesh.

If three countries emerged from unitary British India, why not half a dozen — or a score? Some people thought this might happen. At partition time, India hung onto Kashmir, where there was a Hindu ruler but the population was mainly Muslim. That remains a flashpoint today.

The Muslims, indeed, constitute a large minority — there are about 90 million of them, out of a population of 800 million. There are 15 million Sikhs and more than 20 million Christians. And the 650 million Hindus are, of course, divided by caste.

For all these reasons, the creators of modern India insisted that it must be a secular state. Thus Sikhs, Muslims and Christians often get high office in government. Efforts have been made to get "untouchables" and other low-caste politicians into high office, though the caste system is still remarkably resilient. Indeed one reason Mr. Singh's government gave under pressure was its courage (some would say foolhardiness) in insisting more government jobs go to the lower castes. This brought out mobs of higher-caste young men, whose caste distinction is their sole passport to a tolerable life.

But the caste problem is containable. What might get out of hand is Hindu-Muslim conflict. Hinduism, with vast numbers of gods and countless ways of worshipping them, is normally ultratolerant. But some Hindus are beginning to feel threatened by Muslim fundamentalism.

Hindus know that for centuries they were victims of a Muslim imperialism that forcibly converted them and destroyed hundreds of their temples.

Could India again fall victim to Islamic rule? To outsiders it seems inconceivable. But many Hindus are worried. They want the government to be more aggressive on their behalf and to abandon even-handed secularism.

Inevitably, then, Hindu fundamentalism is growing, and it finds political expression in the Bharatiya Janata Party. It finds violent expression too in the determination to build a Hindu temple on the site of the mosque in Ayodhya, near the Nepalese border, which Hindus say is the birthplace of their most popular god, Rama. Seventy people have died over this one local issue. That is one reason the Indian president is not anxious to hold elections to solve the government crisis.

For the first time, religion has become a major issue in India's politics, and the consequences could be catastrophic. The likelihood is that the secular state, and with it democracy, will survive, but these are fearful times for the world's greatest constitutional state.

Mr. Johnson, the British historian, is author of "Modern Times: The World From the Twenties to the Eighties." He contributed this comment to the Los Angeles Times.

The Bomb For One And All?

By Flora Lewis

PARIS — Saddam Hussein is doing his best to make nuclear weapons. If he survives the Gulf crisis in power, he will be more determined than ever to press his effort. Even if he does not, his successors may continue the attempt, as successive governments in Pakistan have done.

When superpower nuclear stalemate is credited with maintaining the long peace in Europe and bringing containment of the Soviets to victorious fruition, it would be wise to consider again the fundamental issues in question. There are no prospects for ridding the world of all nuclear weapons, and profound controversy over whether it would even be desirable. I think not, but in any case it is not possible in the foreseeable future.

Before the Nuclear Nonproliferation Treaty was signed in 1968, it was predicted that there would be a score or more nuclear states by now. In response to intense U.S. pressure, South Korea abandoned its project. But North Korea has not. Argentina and Brazil have given up, at least for now. But many still challenge the principle of the taboo.

Saddam Hussein has, only slightly obliquely, renewed the argument about discrimination that accepts some nuclear powers and prohibits all others. His country, he claims, and by implication any in the Third World, has an equal right to all high technology available to advanced industrial countries. He considers it imperialistic arrogance to deny "equalizing" weapons to latecomers.

This needs to be addressed, along with whether the demonstrated deterrent value of nuclear arms might work to prevent conflict among other countries. No nuclear weapons have been used in the world since the two that ended the war with Japan in 1945, but there have been more than 100 wars around the globe in the meantime.

In Saddam Hussein's case, there is an answer to the effect of deterrence. He has launched two major invasions and shown that his eagerness in acquiring weapons is to use them, not to prevent war. There are no grounds to think that greater Iraqi capacity would bring more responsibility.

But what about "rights"? Is there, should there be, a democracy among nations as expressed in the UN thesis of "sovereign equality" for all?

Some Third World spokesmen are also giving the idea of global democracy a new twist, arguing in terms of population. They contend that more than four billion of the world's people should have ultimate decision against fewer than one billion.

It is a silly and pernicious argument. There is no global vote, and the four billion are at odds with one another; but it shows how the notion of democracy can be deformed.

At base, the issue is power. It is unequally distributed and it will remain that way as long as the system of states prevails. Some are big and some are small. Some have wealth and some do not. Some are acquisitive and aggressive and some are satisfied.

So it comes to whether the world community can sort out its myriad problems peacefully, or whether some countries have a justified responsibility for imposing a certain order. "Equalizer" came into the parlance from the Wild West, the gun that was decisive in a lawless environment. A world with unrestricted rights to the mass-destruction "equalizers" would be one of tyranny and unrelenting terror, because we are still very far from a law-abiding world.

This is an age of peculiar transitions, not only in technology and society but in thought. In the aftermath of the Cold War, there is a shift in the perennial balance between idealism and realpolitik in international affairs.

Senator Daniel Patrick Moynihan of New York has just published a book, "On the Law of Nations," showing how far the principles of international law were distorted and undermined during the long East-West confrontation. He is right that it has been a grievous setback, a loss for everybody in a time when the actions of practically any country are coming to affect the lives of practically all. The Gulf crisis is a new test of the community's will and ability to respect laws that all profess in the abstract.

But it is also a reminder that law is not self-enforcing. Cynical realpolitik, based on self-interest without standards, was carried much too far. But it cannot be replaced with utter idealism. The "rights" of nations are limited, and the limits must be imposed by those who can. They may not be more virtuous, but they must strive for it. That is the reason to continue insisting on nonproliferation.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: The Kaiser Speaks

BERLIN — The Emperor William read the Speech from the Throne himself at the opening of the Landtag to-day [Nov. 12]. He spoke of a reform in the system of collecting the direct taxes which would relieve the poorer taxpayers. He alluded to the plan for free education. The Emperor concluded by speaking of the friendly relations of the German Empire with foreign Powers, which he said, had further improved during the last year, and he expressed his firm confidence that peace would be maintained. This part of the speech was received with great applause.

1915: A Persian Reply

PETROGRAD — With regard to Russia's decision to order the troops at Kasvin to march on Teheran in order to put a stop to the Turco-German agitation in the Persian capital, Persia's reply on the subject of the measures she intends to take to check the German and Turkish propaganda is expected today [Nov. 12], Russia and Great Britain having asked for an explanation in a manner which amounts to an ultimatum.

1940: Hitler and Molotov

BERLIN — In a "strictly business" atmosphere, Führer Adolf Hitler and Soviet Premier and Foreign Commissar Viacheslav M. Molotov sat down today [Nov. 12] to talks which may prove portentous for the entire world, and out of which, some informed Nazis suggested, the Soviet Union may emerge as a partner of Germany, Italy and Japan in their "shaping of a new world order." "Dienst aus Deutschland," a commentary close to the German Foreign Office, offered one opinion, saying that while the Axis continues its war against Great Britain, "attention is fixed tirelessly upon rearing foundations of an intercontinental system of peace."

— *From the New York edition of the New York Herald Tribune.*

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OPINION

Journalists Have a Job At the Front

By H. Brandt Ayers

ANNISTON, Alabama — The fundamental conflict between the media and the military quietly ambushed me here on a warm Sunday morning this spring during the Alabama Vietnam Veterans' convention.

The gathering had an emotional quality that made it seem almost like a family reunion. A nondenominational service was held at Oxford Lake Park, where a replica of Washington's Vietnam Veterans Memorial cast its dark presence. The organizer of the event, Ken Rollins, greeted me with a manly hug.

It was pleasant to be so warmly welcomed into a special fraternity, but the feeling did not last long.

A former chaplain, during his sermon, made a brief, scornful reference to the press. I complimented him on a rather scholarly homily but added, "Don't forget to pray for the reporters who died in Vietnam." There weren't all that many who died there — 45 known dead, 18 missing and presumed dead — but their souls weigh the same as those of soldiers.

Why raise the issue of the old tensions between the media and the military now? Because war is in the air. Our senses are alert to danger — like those still, oppressive, yellow twilights during tornado season.

Whenever the armed forces of a democratic nation fire shots in anger, there arise conflicts and dilemmas in the hearts of newsmen, between reporters and editors, and especially between the press and the government.

"How much of this disaster should I tell?" the reporter asks himself. "Will people think we're unpatriotic if we run this story?" the editor asks himself. And, always when the press is critical, the government thunders, as Secretary of State Dean Rusk once did during the Vietnam War, "Whose side are you on?"

It has always been so. It was so for the great-grandfather of war correspondents, William Howard Russell of The Times of London, who described himself as "the miserable parent of a luckless tribe." Early in his faithful accounts of the disastrous British campaigns in the Crimean War, he wrote his editor, "Am I to tell these things, or hold my tongue?"

Russell was the reporter who covered the charge of the Light Brigade. Britons reacted with shock and pride to his account, which appeared on Nov. 14, 1854.

He wrote:

"At 10 minutes past 11 our Light Cavalry Brigade advanced … They swept proudly past, glittering in the morning sun in all the pride and splendor of war … At the distance of 1,200 yards the whole line of the enemy belched forth, from 30 iron mouths, a flood of smoke and flame. The flight was marked by instant gaps in our ranks, by dead men and horses, by steeds flying wounded or riderless across the plain … Wounded men and dismounted troopers flying towards us told the sad tale … At 35 minutes past 11 not a British soldier, except the dead and the dying, was left in front of the Muscovite guns."

For Russell's pains, the brave but barely competent British commander, Lord Raglan, refused the reporter any assistance, including lodging and rations. But his accurate accounts eventually brought down the government.

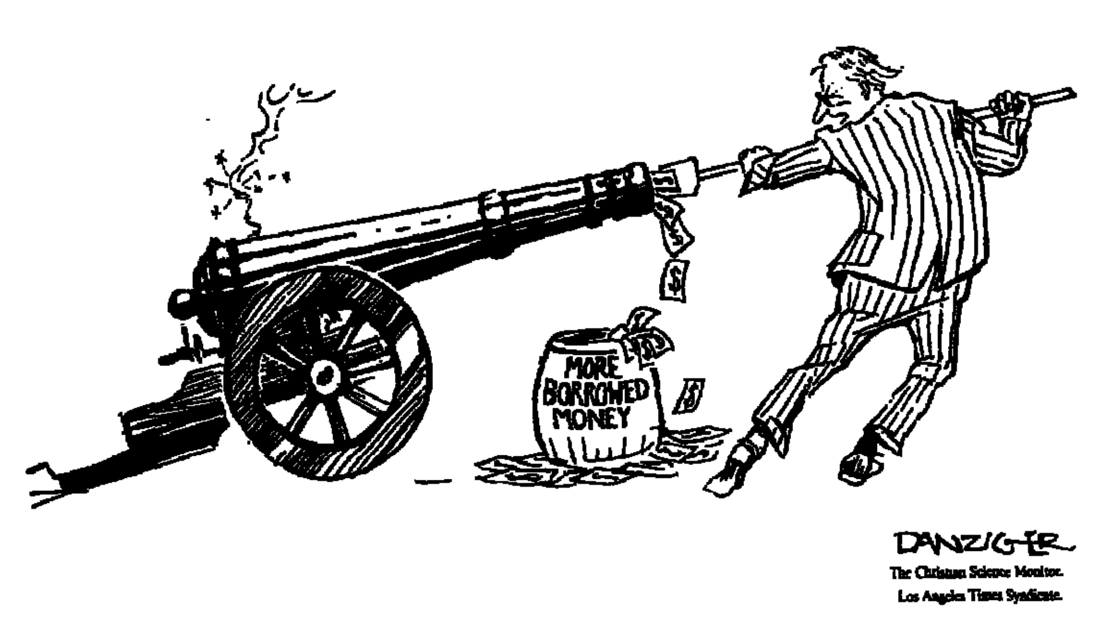
There was no military censorship to inhibit Russell just as there was no formal censorship during the Vietnam War. Both the British and American public could see the whole grand, awful, sickening and exciting pageant of war.

The question from the Crimea and from Vietnam is not about the patriotism of reporters. Russell thought of himself as a British patriot. Neil Sheehan, who covered Vietnam for United Press International and The New York Times, is quoted as saying that he believed the war was right and that he hoped America would prevail.

The question is only this: Did the public get the information it needed to make a judgment? There was some false reporting from Vietnam, like the faked pictures of a marine torching a village. There were atrocities worse than My Lai (for instance, 5,000 civilians slaughtered in the Mekong Delta) that were covered up and grudgingly published in heavily sanitized versions. There were sins by both the press and the military authorities, but the overall effort of both was sufficient to keep American forces fighting for strangers, who did not support their own government, for a decade.

Now, there are correspondents with American troops in the Saudi desert. Their job is no different from Russell's in 1854: It is to tell the truth, tell it whole and let the public — not the government of the day — decide the value of the enterprise.

The writer is editor and publisher of The Anniston Star. He contributed this comment to the International Herald Tribune.



The Christian Science Monitor.
Los Angeles Times Syndicate.

MEANWHILE

The 'Scurrilities' Included a Parrot

By Robert Tine

VENICE — The clash between official taste and artistic vision is nothing new. The recent brouhaha involving the U.S. Congress, the National Endowment for the Arts, Senator Jesse Helms, Robert Mapplethorpe, the city of Cincinnati and others only echoes a case that came before the Tribunal of the Holy Office — popularly known as the Inquisition — 417 years ago, in Venice. There is evidence to suggest the Inquisition was more understanding than one might have imagined.

Paolo Caliari, better known as Veronese, was one of the greatest Venetian painters of his age — and his was an age that included the young Tintoretto and the very old Titian. Veronese and his studio produced portraits, elaborate allegories and classical scenes, but he was best known for vast paintings based on famous feasts that were religious in character — "The Marriage Feast at Cana," "The Supper of Gregory the Great" — but feasts nonetheless.

They teem with figures, all manner of men and beasts, and thus have an amusing, secondary meaning: They are perfect pictures of Veronese's time, with places and personalities wittily, precisely recorded by a master artist.

Such works found great favor in the monasteries of the city. Religious orders commissioned Veronese to paint large pictures to decorate refectory walls so that during meals, taken in silence, the monks would have something to look at that was enlightening and entertaining.

In 1573, however, Veronese's masterpiece, "The Last Supper," painted for the church of San Giovanni e Paolo (San Zanipolo in Venetian dialect), landed the artist in hot water.

This is not the sacred and silent "Last Supper" of Leonardo, but a busy Venetian scene, peopled by some 50 figures: Christ and the apostles, of course, as well as servants, soldiers, hangers-on, gawkers; a prominent character is Veronese himself. There are some animals, notably a cat, a parrot and a dog. The parrot was to prove controversial, but the trouble started with the dog. It sits slap in the foreground of the picture looking over its shoulder at the cat, which gambols at the feet of Christ.

The Prior of San Giovanni e Paolo asked Veronese to paint out the dog and to replace it with a figure of Mary Magdalen. Veronese refused, though we do not know why. Perhaps it was his own dog. More likely he was unwilling to upset the careful composition of his work.

Whatever the reason, it was a courageous thing to do considering how much of Veronese's livelihood depended on pleasing his clerical patrons.

The prior brought the matter before the Inquisition. The court examined the painting and discovered that the refusal to replace the dog with Mary Magdalen was the least of the artist's sins.

Contained within "The Last Supper" were figures offensive to the Tribunal of the Holy Office, characters deemed unsuitable for a religious work, the nastiest being two "Germans" — a polite post-Tridentine way of saying Protestants.

On July 18, 1573, Veronese was called before the Inquisition to answer a charge of heresy in a work of art. The transcript of the hearing has come down to us:

Q. What is the significance of these armed men dressed as Germans, each with a halberd in his hand?

A. This requires that I say a few words.

Q. Say them.

A. We painters take the same license the poets and jesters take, and I have represented the two halberdiers, one drinking and the other eating nearby on the stairs. They are placed there so they might be of service because it seemed to me fitting, according to what I have been told, that the master of the house, who was great and rich, should have such servants.

After questioning Veronese about the other "scurrilities" in the picture (a drunkard, a buffoon, a man with a nosebleed, an apostle picking his teeth, the parrot), the tribunal returned to the "Germans."

Q. Do you not know that in Germany and in other places infected with heresy it is customary with various pictures full of scurrilousness and similar inventions to mock, vituperate and scorn things of the Holy Church in order to teach bad doctrines to foolish and ignorant people?

A. Yes. That is wrong; but I return to what I have said, that I am obliged to follow what my superiors have done.

Q. What your superiors have done? Have they perhaps done similar things?

A. Michelangelo in Rome in the Pontifical Chapel painted Our Lord Jesus Christ, His Mother, Saint John, Saint Peter and the Heavenly Host. They are all represented in the nude — even the Holy Virgin — and in different poses and with little reverence.

This did not faze the Inquisition. In Michelangelo's "Last Judgment," the court said, "it was not necessary to paint garments and in those figures there is nothing that is not spiritual." (Pope Paul IV was not quite so open-minded. Calling "The Last Judgment" of Michelangelo "a stew of nudes," he had loincloths painted on the spiritual figures.)

Veronese's masterpiece, 'The Last Supper,' landed him in hot water in 1573.

The Inquisition, though, was still the Inquisition.

Despite that — perhaps because — it was hearing the first use of artistic license as a defense in the history of Western art, Veronese was found guilty and ordered to change his painting to remove "buffoons, dogs, weapons and similar buffoonery," at his own expense and within three months.

When 90 days had elapsed and the tribunal reconvened it was found that nothing, not a brushstroke, in the painting had been changed — the "Germans" still ate and drank, the man's nose bled on, the parrot squawked, the buffoon cavorted — nothing had changed except the title: It was no longer, according to Veronese, "The Last Supper" but "The Feast in the House of Levi," a less sacred scene and one that (Luke 6:29) contained "publicans and sinners."

The Inquisition was satisfied. Veronese was discharged to continue his thriving career — more ecclesiastical commissions awaited him — and there the matter ended.

And at the Accademia in Venice, the dog remains in the foreground of his painting, gazing longingly at the cat.

The writer, a novelist who lives in Venice, is working on a book about Veronese. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Alliances: Words or What?

The United States must be careful about the alliances that it makes and stop its one-night stands with nations whose values and policies it does not share, just for the sake of an embargo against Iraq that will not yield the desired results.

President George Bush and Secretary of State James Baker have demonstrated in the Gulf crisis that they prefer a war of words to a shooting war that may undermine the Bush administration's already declining popularity. The voice of the American soldier in Saudi Arabia who said, "Let's do something or go" should be heard loud and clear in the White House. The establishment of a new international order is something that must be earned, not waited for.

YVAN K. NIKKHOO.
Boulogne, France.

Syria and Iran have been bitter enemies of America in the past. In this difficult time, we must take our allies where and when we can find them, but never forget that they may not be our allies forever. The outcome of the Gulf crisis must not strengthen them. Most importantly, they should not be given any Iraqi territory.

WILLIAM J. LARSON.
Nyon, Switzerland.

There is no military solution to the Gulf crisis. Given time and the effects of sanctions, Iraq will recognize its connection to the rest of the world and reconsider its actions. But Britain and America must also reconsider their position for any dialogue and solution to be possible.

DAVID WILSON.
Oxford, England.

Don't Make It a Scapegoat

Anthony Lewis's call for the revocation of the United Nations resolution that equates Zionism with racism ("Revoke the Zionism Resolution Now," Opinion, Nov. 6) highlights a major obstacle to peace in the Middle East.

The Israelis, he says, will not give up anything substantial in return for a peace agreement as long as they perceive that their Arab neighbors seek the destruction of Israel. In fact, Israel's attitude has been shaped by hostility that is worldwide. When Israel, by the force of events, became a regional power after the 1967 war, resentment slowly began to build, with Israel being blamed for all of the injustices suffered by the Arab masses.

For Israelis to be convinced that they should make sacrifices for the cause of peace, it is not just the 1975 equation of Zionism with racism that needs to be undone — there must be a re-examination of the entire trend of holding Israel responsible for Palestinian suffering and for instability throughout the Middle East. Letting Israel be the scapegoat carries with it too high a price.

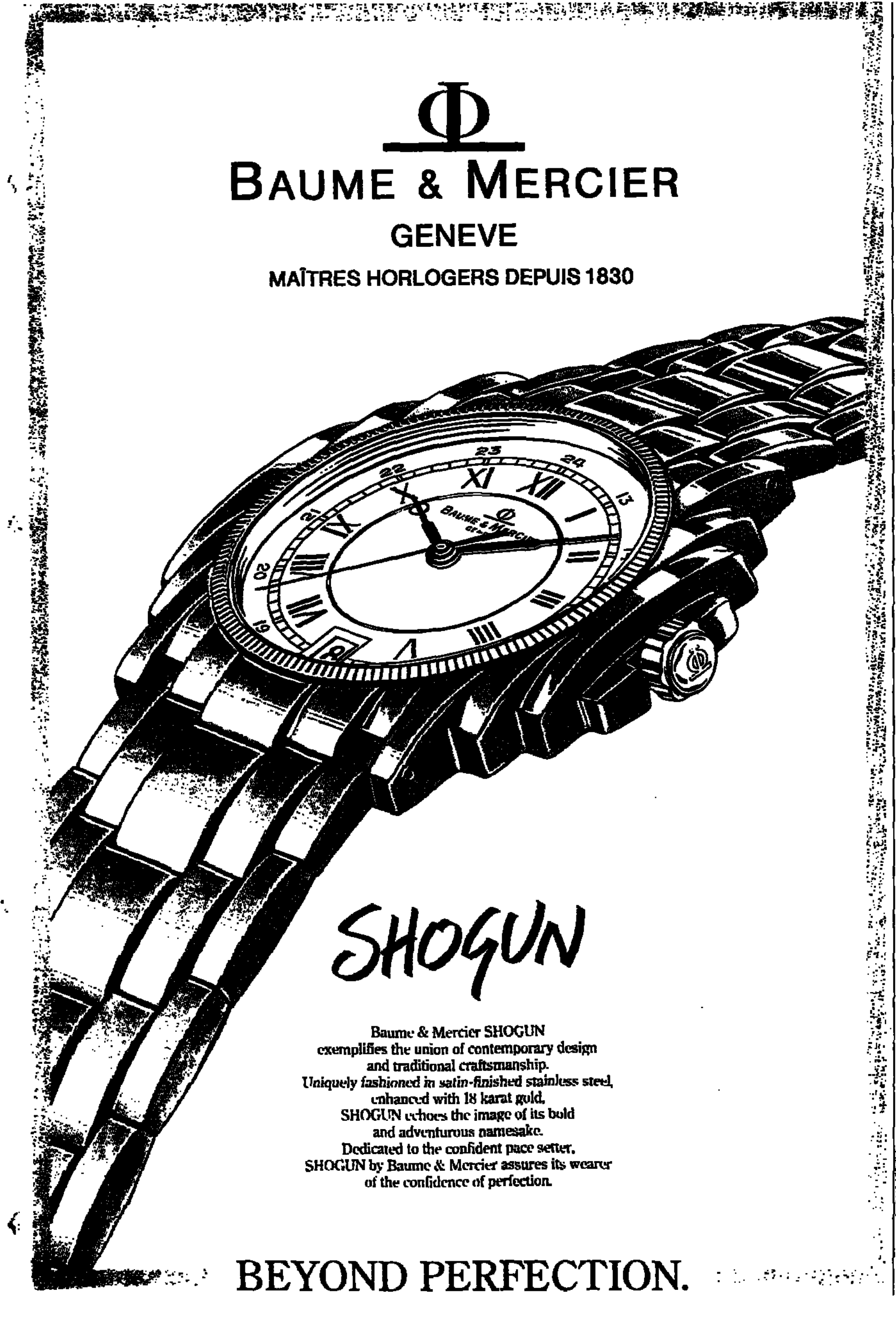
MARK L. COHEN.
Courbevoie, France.

Withholding at the UN

Stephen Demczuk (Letters, Nov. 8) writes that United Nations salaries are tax-free. In fact, an amount averaging 25 to 35 percent is removed from a UN salary at source. This sum, known as the "staff assessment," is retained by the United Nations and is set off against the sum due from that staff member's country as its annual payment to the United Nations. In my case, therefore, the British Treasury is the direct beneficiary of the sum withheld from my salary. Effectively, this is an income tax.

I commend Mr. Demczuk for his effort to offer his skills to the United Nations, particularly if he is motivated by a desire to serve his less fortunate fellows. But he should know that many UN offices are now obliged to reduce external recruitment to zero, due to lack of funding and consequent financial crises through which the United Nations is passing. Only the dedication of staff members and their willingness to continue at the same pay levels for years without even a cost-of-living increase will ensure that the work goes on.

Mrs. S. H. SWENSON.
Geneva.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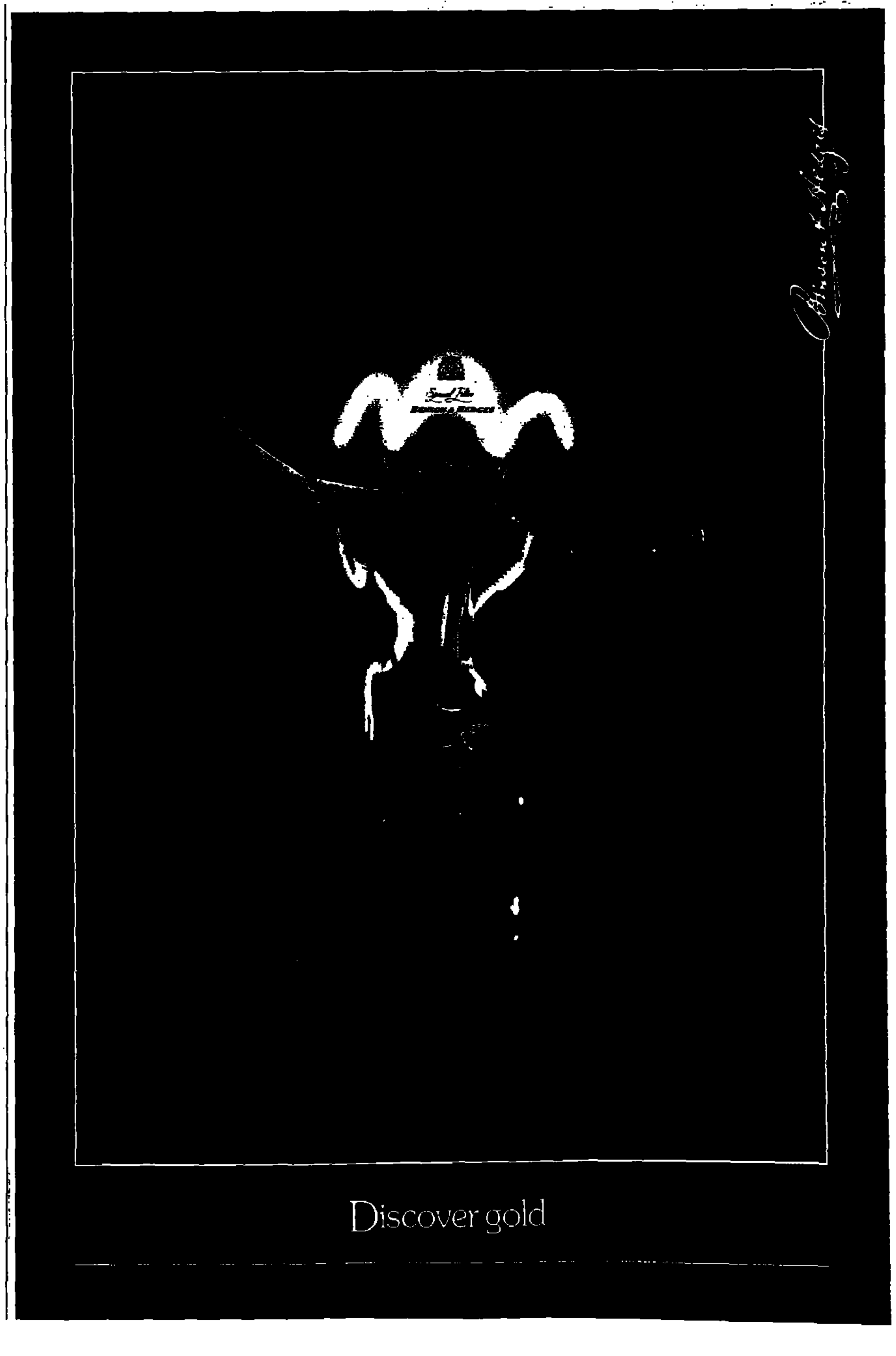
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RIVALS: *New Freedoms Give Rise to Old Hatreds*

(Continued from page 1)

who live in Croatia and Albanians living in Serbia. The demands of the 600,000 Hungarians living in southern Slovakia for language and cultural rights is a major irritant in conflict between Czechs and Slovaks.

Since the violence in March, Transylvania has been calm but as a local journalist put it, it is a dubious calm. Here in one of Eastern Europe's most overheated ethnic cauldrons, it does not take much for an act of vandalism, a gesture, even a remark to be seized as a deliberate insult to national pride, or part of a sinister campaign to destablize and divide the region.

"Everything now is seen from this point of view," said a taxi driver here in Tirgu Mures, describing how his fellow Romanian drivers now taunt him for helping Hungarian passengers with their luggage.

More than 3 million Hungarians now live in the countries that neighbor Hungary. Of these, more than 2 million are in Romania, mostly in Transylvania, a region in the foothills of the Carpathian mountains that has gone back and forth between Romania and Hungary four times in the last century and is regarded by each as hallowed national ground. Romanians are in the majority in the region, but not in certain pockets — such as the county of Harghita, where Hungarians make up 85 percent of the population.

Ethnic stereotyping is a blunt fact of life.

"At the moment, the majority of Romanians are not prepared for democracy," said Janos Vorzsak, vice president of the Democratic Union of Hungarians in Romania in the county of Harghita. "They have lived so long in an infernal darkness that they are easily led. They have a primitive psychology."

Romanians see Hungarians as arrogant and overbearing.

In Eastern Europe, the fact that two peoples share one citizenship, sometimes even one language, has done little to blur cultural differences. "For a Slovak, it is as hard to identify with a Czech intellectual as it is for a Texan to identify with a British gentleman," said Boriz Lazar, professor of philosophy and a member of Public Against Violence in Slovakia.

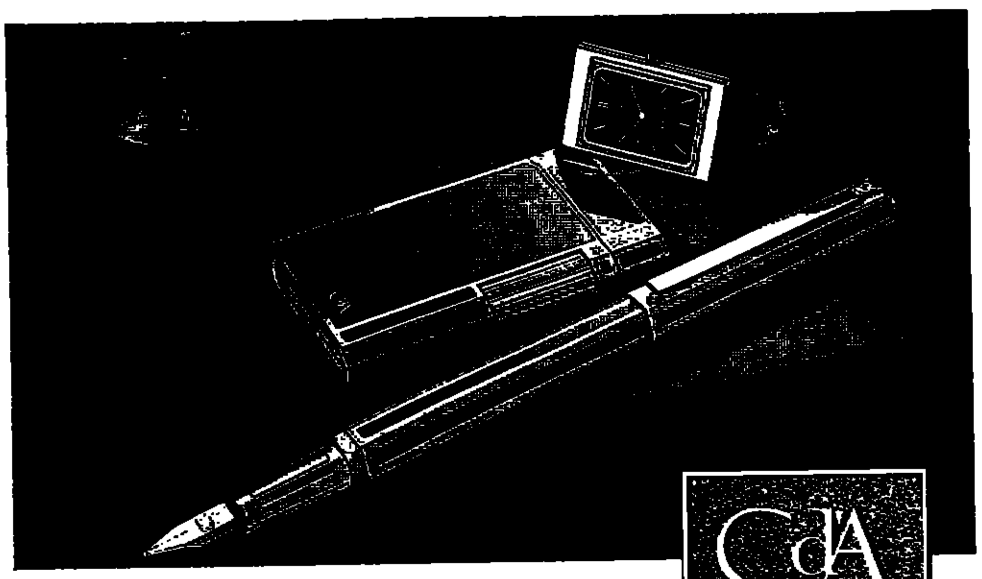
And yet people on a local level often do manage to arrive at a modus vivendi, often despite the best efforts of nationalist propagandists. A sociological survey done in Slovakia showed that where Slovaks and Hungarians live in close proximity, only 20 percent of Slovaks feel threatened by Hungarians, while among those Slovaks who do not have any exposure to Hungarians, 71 percent feel threatened.

Some of the region's national quarrels are so old, so deeply sunk into people's cultural and religious experiences that they need no excuse to begin again. In Bulgaria and Yugoslavia, an ancient mistrust between Christian and Muslim casts a long shadow over the conflicts between Bulgarian and Turk, between Serb and Albanian.

In some places, national groups are now resuming a cycle of violence and revenge that had been interrupted by Communist rule: 45 years later, Serbs and Croats are just now sorting out responsibility for the ethnic bloodletting that took place during World War II.

"Nationalism is the last bastion of socialism," said Dragan Veselinov, president of the Peasants' Party in Serbia. "It is all that is left of the collectivisms."

The kind of primitive violence that came out onto the streets in Tirgu Mures in March has not been widespread, but the language of nationalism has become increasingly hyperbolic and aggressive. Words like "genocide," "national tragedy" and "enemy of the nation" have slipped into current use. Maps of "Greater Serbia," "Greater Romania" and "Greater Hungary" are for sale in Belgrade, Bucharest, and Budapest.



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RACE:
Legal Labyrinth

(Continued from page 1)

ther apparently came here from India.

But this meant he would have to sell his home and move, as Indians could not live in a Colored area. The problem was, there was no Indian suburb here.

So he appealed the board's decision, and in a surprise ruling a court decided he was a Syrian, since his family was Syrian by origin.

This ruling only created further complications for Mr. Mussa because Uitenhage's Syrians, who mostly migrated to South Africa in the 1930s, are divided into two groups, Christians and Muslims, according to the faith their families adhered to in Syria.

While Christian Syrians are regarded as "whites," Muslim Syrians belong to a special category known as "other Asiatic," a subgroup of Coloreds. But under the Group Areas Act, there is no such group. So Mr. Mussa, a Muslim, went to the local authorities in 1983 for a clarification of just what he was for the purposes of deciding where he could live in Uitenhage.

They gave him a certification saying he was "a Syrian with the same rights and obligations as a European," or white.

This appeared to clear him for buying properties and living in white areas of the city. Mr. Mussa went at it with gusto, buying up what he estimated to be about 87 homes and buildings in white areas here and in nearby Port Elizabeth.

In four or five of the homes he bought, he installed mixed couples, including Mattheus Snyman, 54, a white Afrikaner and Conservative Party member, and his Colored wife, Martha Jacobs. Mr. Snyman is Mr. Mussa's chauffeur, an unusual inversion of authority in a country where Afrikaners normally give the orders.

Mr. Mussa's sin under the Group Areas Act was that he bought many of these properties alleging he was a "white man."

Asked what race he wanted to belong to, Mr. Mussa replied with a twinkle in his eye: "I'm a South African. I don't want to be a white person. I want to be a South African.

"I've spent all my life trying to live as a human being and not as a member of a race," he said as he called his white lawyer, Conrad Cubitt, on the telephone, to come to provide details of his long struggle with the racial laws.

DEBATE: *As Buildup Grows, Doubts Surface in U.S.*

(Continued from page 1)

party that Mr. Bush has done a better job of consulting with the United Nations than with Congress and the public.

"I think all of us who have just been out on the campaign trail are impressed that the support for the president is broad, but also very thin," said Representative Lee H. Hamilton, Democrat of Indiana, who has supported the president's actions.

"And there's a great deal of uneasiness about all of this," he said. "They do not want American casualties. They feel that very, very strongly. No one wants American casualties."

In a letter to Secretary of State James A. Baker 3d, Archbishop Mahony, chairman of the international policy committee of the National Conference of Catholic Bishops, wrote, "Our country needs an informed and substantive discussion of the human and ethical dimensions of the policy choices under consideration."

One-third of voters surveyed on Election Day opposed U.S. military action that would produce heavy casualties, a level of opposition reached during the Vietnam War only after several years of fighting.

Democratic leaders on Capitol Hill are proceeding cautiously. They want neither to give Mr. Bush a blank check for military action nor to appear to be undermining him in a foreign confrontation.

Democratic leaders say they recognize that if American military action is to be debated before it is taken, that debate must begin soon.

What is the nation's political goal in the Gulf and what level of sacrifice is it worth?

The administration has given different answers to this question. Soon after the Iraqi invasion of Kuwait, Mr. Bush said, "Our jobs, our way of life, our own freedom and the freedom of friendly countries around the world will suffer if control of the world's great oil reserves falls into the hands of Saddam Hussein."

But more recently the administration has rejected the suggestion the Gulf confrontation is a modern-day spice war, a defense of crucial economic interests. Mr. Bush has returned to the image of America as the defender of freedom.

"The fight isn't about oil," Mr. Bush said during a campaign swing. "The fight is about naked aggression that will not stand."

Ted Van Dyk, a Democratic analyst, said of Mr. Bush's rationale:

"We can only presume that this line has been taken because some pollster had told the president that the public would not support sacrifice of American lives to secure Mideast oil and that he'd better start talking on a moral basis if he wanted to make hay with voters."

Mr. Van Dyk suggested that Mr. Bush's rationale was inconsistent with past U.S. policy toward Iraq.

"Saddam Hussein has been acting like a mini Hitler for many years," he said. "We, in fact, supported his invasion of and war with Iran."

"We are engaged only because of oil, as we should be," Mr. Van Dyk continued. "But to deny that self-evident fact was to further shake our partners' confidence in the president and to disturb thinking people here."

But there are conflicting views on whether Middle East oil is a vital American interest.

Statements that Mr. Hussein could end up controlling 40 percent of the world's oil reserves are true, but largely irrelevant, The Cato Institute asserted in its report.

■ Reassurances From Bush

Democratic criticism brought reassurances from the White House that Mr. Bush would continue to consult Congress, with the latest meeting with congressional leaders scheduled for Wednesday, The Washington Post reported from Washington.

But the White House press secretary, Marlin Fitzwater, said there could be unforeseen circumstances that would require the president to act militarily without prior approval from legislators.

"He will follow the constitutional requirements, and we would want to consult with the Congress every step of the way," Mr. Fitzwater said.

REGION: *Saudi Fears Over War*

(Continued from page 1)

yadh, as he reflected on the aims of a potential conflict.

"I think we will go for the first two," he said, "but I don't think most Saudis will go for the last, because we don't want to see a brotherly Arab country completely destroyed."

Concerns about how a war against Iraq might upset the balance of power in the Arab world are also felt in other Arab capitals.

In Damascus, the government-run Al Ba'ath newspaper said that Syria did not want Iraq destroyed because it gives the Arab nations "strategic depth" and its destruction would be "a great gain for the Israeli enemy."

Whether these sentiments will result in braking Western military action during a conflict is not clear. But so far, both Syria and Egypt — which, after Saudi Arabia, have contributed the largest number of Arab forces to Operation Desert Shield — have put limits on what their troops can do.

According to two Saudi officials, Egypt and Syria have agreed that in the event of a conflict, their ground troops would be allowed to enter Kuwait but not Iraq. Arab countries also have agreed to tactical bombing strikes inside Iraq by the Western powers but only for the purpose of cutting logistical supply lines to Iraqi troops in Kuwait, these officials said.

The Saudi attitude toward allied bombing attacks against Iraq is more problematic, since many of the planes that would carry out that mission are based on Saudi territory. What agreement, if any, has been worked out between the Americans and the Saudis on air strikes in Iraq is not known.

Some Arab experts question whether it would even be possible to calibrate a war carefully enough to remove Iraq as a military threat to its neighbors yet leave it powerful enough to retain a role in the regional power equation. But U.S. military officials also are weighing this issue in their planning, and some appear to share Saudi concerns about upsetting the regional power lines.

In a recent interview with The New York Times, General H. Norman Schwartzkopf, commander of U.S. forces in the Gulf, acknowledged that the "total destruction of Iraq" was an option but added, "I am not sure that is in the interest of the long-term balance of power in this region."

As for the Iraqi troops in Kuwait, there is no consensus here on how much resistance they would put up. Nor is there a unity of views on whether Mr. Hussein, faced with an allied attack, would launch missiles at Israel and thus draw it into retaliatory action.

For the Arab nations allied with the United States, an Israeli strike is their worst nightmare because of the sensitivity in the area to Israel's perceived expansionist aims.

Arab States Keep Silent On Hassan's Summit Call

By Caryle Murphy
Washington Post Service

JIDDA — Saudi Arabia and Egypt offered no official reaction Monday to the call by King Hassan II of Morocco for an urgent Arab summit meeting to avert a Gulf war, and most other Arab states gave it only a lukewarm response.

The Saudi government made no comment on King Hassan's plea for a "last-chance" summit conference within a week, and the call was not reported in any of the kingdom's newspapers or on its state-run television channels.

Only Mauritania said it was ready to attend a summit meeting.

Saudi officials may be waiting to hear from the Chinese foreign minister, Qian Qichen, who was arriving from Baghdad. Mr. Qian on Monday described his talks with President Saddam Hussein of Iraq and other officials as "fruitful and constructive," Reuters reported.

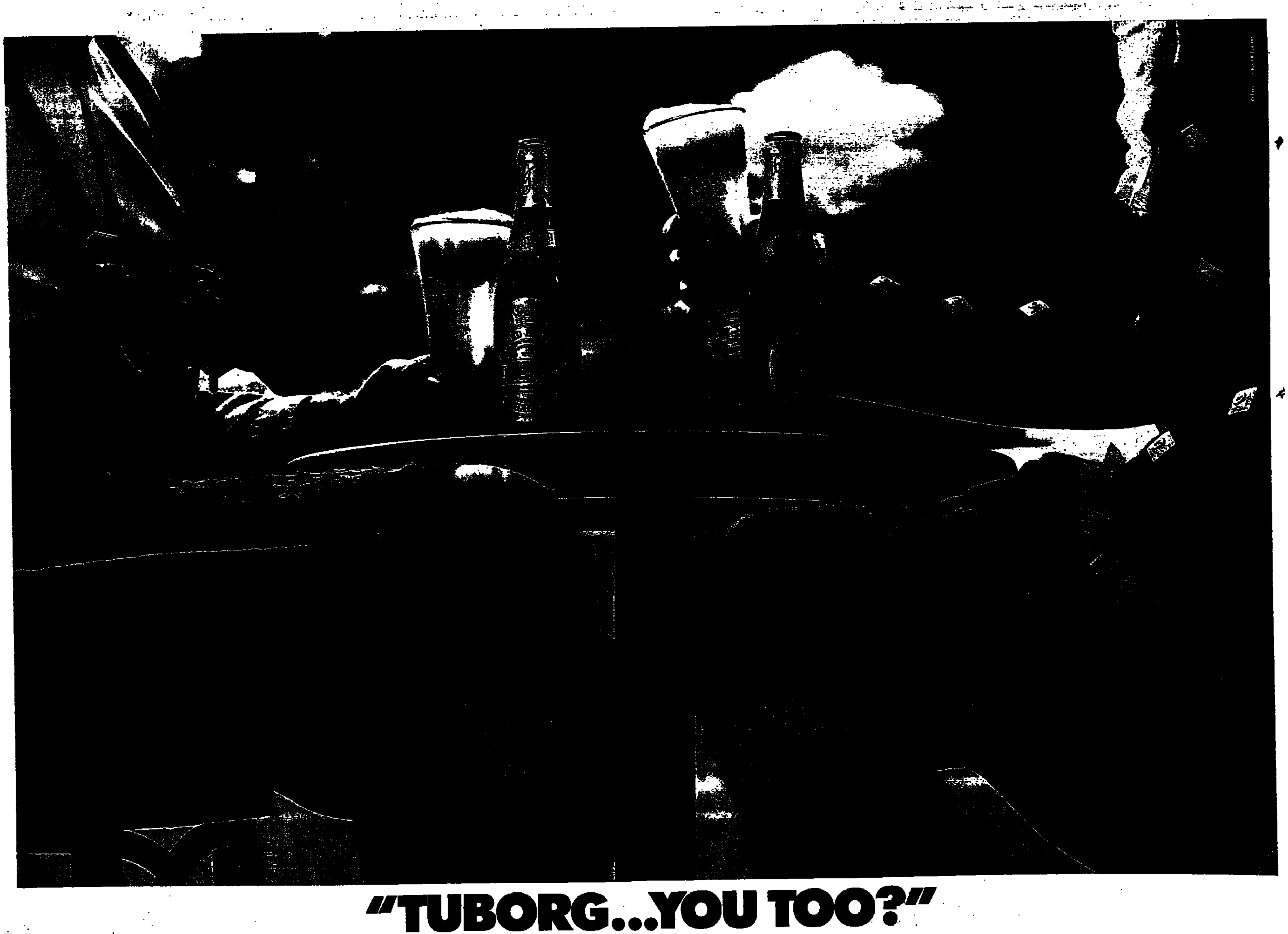
A spokesman for President Hosni Mubarak of Egypt said Monday that Cairo was "waiting to see the reaction of other countries" before replying to King Hassan's plea. Mr. Mubarak said a few weeks ago that he was not interested in a summit meeting unless Iraq was willing to comply with international demands for its withdrawal from Kuwait. Without that, he said, any Arab conference would be a "summit of insults."

A conference hosted by King Hassan could be problematic for the Saudis and Egyptians, the two main Arab allies of the United States in the anti-Iraqi coalition, since the king, in a gesture to President Hussein, has explicitly linked a resolution of the Gulf crisis to the Israeli-Palestinian conflict.

Both Cairo and Riyadh up to now have maintained — as has Washington — that the two issues cannot be linked.

In Jordan, a senior official welcomed King Hassan's appeal for a meeting, but added, "The important thing is how the Gulf countries react to Morocco's call."

The Palestine Liberation Organization endorsed the idea, but its chairman, Yasser Arafat, said later in Baghdad that time would be needed "to get the right preparation for such a meeting."



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HIGH-RANKING TOUR — The Soviet military chief, General Mikhail A. Moiseyev, right, giving a tour Monday of the Ministry of Defense in Moscow to General John Galvin of the United States, left, commander of NATO forces, and General Vigleik Eide of Norway, the alliance's military committee chairman. General Galvin's trip was the first to the Soviet Union by a NATO commander, and was part of an exchange program that included a visit by General Moiseyev to NATO headquarters in Belgium.

Paris Says It Joined NATO 'Resistance'

By Joseph Fitchett

International Herald Tribune

PARIS — France acknowledged Monday that it had taken part in a NATO-backed plan for allied nations to set up underground groups trained to carry out resistance operations in the event of a Communist takeover or Soviet occupation during the Cold War.

The minister of defense, Jean-Pierre Chevènement, said that France's section of the secret organization had remained "dormant" from the time it was set up, at the beginning of the 1950s, until it was dissolved, apparently by President Charles de Gaulle, shortly after he came to power in 1958.

These potential resistance movements — structured by the North Atlantic Treaty Organization and financed in some cases by the Central Intelligence Agency — functioned in Italy, Belgium, Greece and probably most other allied countries, including those in Scandinavia and even in neutral Sweden and Switzerland, according to numerous and sometimes contradictory disclosures across Europe in recent days.

In some cases, the arrangements apparently included combat training for hundreds of resistance fighters, who were then given access to caches of machine-guns, mortars, hand-grenades, demolition explosives and sophisticated communications equipment.

These revelations have touched off polemics in some countries but nowhere approaching those in Italy. Communist politicians have alleged that Italian intelligence agents used the underground forces, with covert U.S. backing, to carry out terrorist attacks in the 1970s with the aim of discrediting Italy's leftists and maintaining the Christian Democrat Party in power.

While NATO has declined to confirm or deny its role in a resistance network in Europe, an alliance official said Monday that "we're trying to find out ourselves exactly what went on."

He added that "it is clear that something was set up to provide for stay-behind forces" — meaning small teams of local people who could operate behind Soviet lines if NATO territory was overrun. Each nation's units apparently operated separately. But although there were to be no contacts across borders, basic lines of operation were to be suggested by a committee of NATO planners.

That so-called "clandestine coordinating committee" has continued to meet, sources said, even after the in-country teams were disbanded. Belgian newspapers have said that the committee met last month at NATO to consider its future role, if any, in the aftermath of the Cold War.

The prime aim of the operation apparently was traditional intelligence-gathering. Several sources said that national teams, mainly of civilians but including some military personnel, were intended primarily to gather information about developments in occupied areas and transmit it to pro-Western governments-in-exile.

The former CIA head, William E. Colby, said this weekend that he headed intelligence operations that passed U.S. funds to organizations in Italy and Sweden in the early 1950s.

The allied plans were kept secret for decades. As details have emerged, allied governments have defended their contingency plans and actions as prudent steps at the time of widespread fears of imminent assault by the Red Army.

Conspiratorial interpretations have caused political wrangling in Belgium and Greece, but in Italy the affair has rattled the political establishment. The operation in Italy, code-named "Gladio" and calling its members "gladiators," has acquired special resonance because of unanswered questions about terrorism there between 1969 and 1974.

Prime Minister Giulio Andreotti, who this month provided the first official confirmation of Gladio, has assured Parliament that the issue is starting to deflate because there was no wrong-doing and no cover-up.

President Francesco Cossiga, a Christian Democrat like Mr. Andreotti, said last week that he was "proud to have been part of a secret that served the nation." Now he has been subpoenaed by a judge in Venice to testify about Gladio — including questions about how the Italian authorities "lost track" of a dozen caches of weaponry apparently provided by the CIA.

In the Netherlands, the government has taken the position that it will only discuss the issue with the parliament's intelligence-affairs committee. Two large arms dumps were discovered accidentally in the Netherlands, one in 1980 and the other in 1983. The government said at the time that they belonged to "NATO-related" provisions for national security.

In Belgium, officials have confirmed the existence of a special group to provide a core for resistance work in the event of occupation, but have denied that it ever became active.

But the Belgian press has reported that the operation involved the creation of a special military intelligence agency under NATO auspices that was still meeting on questions of internal security in alliance countries as recently as last month.

In Greece, the contingency plan was quietly dropped and arms rounded up in 1984 by the then-Socialist government.

ANC Is Accused Of Tribeland Plot

United Press International

JOHANNESBURG — The police in the nominally independent tribal territory of Bophuthatswana accused the African National Congress on Monday of plotting to assassinate the territory's president, Lucas Mangope.

This coincided with a ANC-backed boycott of jobs and shops in Pretoria. They were protesting a cutoff of electricity to townships where blacks withheld paying bills and alleged political intolerance in nearby Bophuthatswana.

The Bophuthatswana police said ANC members were arested "following the unearthing of evidence of a plot to assassinate" Mr. Mangope. The ANC accuses him of being a government puppet.

Yeltsin vs. Gorbachev, Round 2: Whose Wealth?

By Francis X. Clines

New York Times Service

MOSCOW — President Boris N. Yeltsin of Russia, negotiating anew with his chief adversary, President Mikhail S. Gorbachev, said Monday that he was rebuffing Kremlin attempts to engineer a new union treaty before settling such critical issues as control over petroleum, diamonds, banking and other economic resources.

"We could not accept that and we won't," Mr. Yeltsin told a parliamentary committee in describing his meeting Sunday with Mr. Gorbachev and other officials of the central government for talks on the future shape of the country.

The Kremlin meeting signaled that Mr. Gorbachev finally was focusing on his long-promised attempt to draft a new union treaty establishing remodeled relations between the 15 Soviet republics and the central authorities. The aim is to create a treaty that might somehow allow the republics the greater sovereignty they are demanding but still preserve a viable national government.

"Pressure was aimed at making us sign a union treaty first and settle all other issues later," Mr. Yeltsin told the parliamentary committee of the Russian Republic, according to remarks quoted by the Interfax news service.

He rejected Kremlin attempts to see that, "for the time being," disputed economic resources "would lie within the center's competence."

Russia, the largest republic, holds these resources in richest abundance and now aims to exploit them more fully for the republic's benefit while limiting the center's traditional monopoly.

In a related separatist struggle, officials of the three Baltic republics said Monday that Prime Minister Nikolai I. Ryzhkov had put fresh pressure on them either to accept Soviet authority or be excluded from the 1991 economic plan that controls the products and subsidies extended to the republics from the rest of the nation.

Officials quoted Mr. Ryzhkov as saying at a Kremlin meeting last weekend that they had one week, until Saturday, to accept the central plan for next year. The officials said some sort of renewed economic sanctions may have been implied in his remarks, although the threat was not explicit.

Prime Minister Ivars Godmanis of Latvia, who was ill and sent a representative to the meeting, was quoted by Tass as saying, "All the Baltic republics were in effect given an ultimatum to abandon their taxation systems, pricing policies, independent currency and the formation of foreign economic ties."

The Baltics have been pursuing political and economic self-determination in varying degrees. Lithuania declared full independence eight months ago.

The Kremlin agreed to suspend earlier economic sanctions and negotiate with Lithuania only after the republic consented to suspend its independence declaration.

Those talks are only in the preliminary stage, with the central government, in the face of rising separatist demands across the country, generally trying to maintain that the existing laws and central economic dictates of Moscow must be observed until a new union treaty is enacted.

The struggle over the proposed union treaty is expected to be at least as controversial and potentially intractable as Mr. Gorbachev's attempts at formulating a practical plan for switching over from the Communist centrally planned economy to a free market.

An attempt at a common Gorbachev-Yeltsin economic renewal plan failed last summer when Mr. Gorbachev retreated from a preliminary agreement.

Mr. Yeltsin said Monday that he and Mr. Gorbachev had decided to create parallel study groups in the central and republican governments to see if agreement was possible on the most important issues involved in the union treaty, including banking, property privatization and natural resources.

Denying that Russia "seeks to take the union apart," Mr. Yeltsin said, "I'm for a strong union treaty." But he said that disputes over resources and banking questions must be settled in connection with the new union treaty.

The Gorbachev government has indicated that a union treaty would be offered before the end of the year, but Mr. Yeltsin said that no specific date was mentioned.

The process will apparently be elaborate, involving study and possible amendment proposals by each of the 15 republics.

Some opposition groups already have begun contending that the Gorbachev government, on the basis of its hesitation over economic change has no appetite for truly decentralizing authority.

German Arrested As Spy for East

Reuters

BONN — A senior German official has been arrested on suspicion of spying for East Germany for 25 years, the Federal Public Prosecutor's office said Monday.

The Ministry for Economic Cooperation official was arrested last Thursday on suspicion of espionage and corruption.

The 53-year-old man, whose name was withheld, was accused of spying for Communist East Germany from 1964 until Oct. 3.

I like caviar on toast
in bed while getting
toasted myself

What could be better than a champagne and caviar breakfast on a water bed while catching a bit of the morning sun.

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INTERNATIONAL FUNDS

November 12, 1990

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
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ABACUS FUNDS
(m) Abacus Fund Ltd. $ 10.71
(b) Abacus Guart.Fd. Mar.'94 $ 10.59
(m) Abacus Guart.Fd. July'95 $ 10.33
ABC INVESTMENT & SERVICES CO (E.C)
(m) ABC FUTURES FUND LTD $ 103.66
ABN BANK LD.88, P.O. Box 467, Amsterdam
(w) ABN-Aandelenfonds FL 66.82
(w) ABN-Beleggingsfds Ned. FL 54.68
(w) Aldollar $ 22.40
(w) Airento FL 161.80
(w) America-Fund (LE) $ 148.27
(w) Asian Tigers Fund $ 28.89
(w) LDC Risk Inv.fund $ 1093.94
(w) Trans Europe Fund FL 70.86
(w) Trans Europe Fund $ 42.44
AIG FUND MANAGEMENT LTD.
(d) AIG Amer.Eq.Trust $ 22.43
(d) High Life Fund ECU 10.02
(d) UBZ Euro Optimizer ECU 9.64
ALFRED BERG
(w)-Berg Norden Sicav $ 137.03
-Alfred Berg Sicav:
(w)-Global $ 117.77
(w)-Germany $ 127.44
(w)-Switzerland $ 99.08
(w)-Netherlands $ 92.48
AL-MAL BANK LIMITED.
(w) Investment Units $ 98.61
(w) Currency Units $ 115.88
ALPHA ASSET MANAGEMENT LTD.
De Ruyterkade 62,Curacao NA 5999 617844
(m) Alpha Arbitrage Fund $ 272.81
(m) Alpha Europe Fund ECU 239.93
(m) Alpha Futures Fund Ltd. $ 147.64
(m) Alpha Global Fund $ 648.77
(m) Alpha Hedge Fund $ 335.75
(m) Alpha Pacific Fund Ltd. $ 251.15
(m) Alpha Short Fund Ltd. $ 131.44
(m) Alpha Tiddale Fund $ 111.13
(m) Curzon-Alpha Hits Care Fd. $ 261.31
(m) Nicholas-Applegate Hgw Fd $ 119.51
(w) Heisei Japan Fund Y 14,338.09
(w) Nicholas-Applegate Aurelio $ 161.49
ARRAL ASSOCIATES LTD
(w) Arral Int'l hedge Fund $ 46.57
(w) Arral Asian fund $ 138.40
BA GATEWAY FUND
(b) Belgium Fixed Income BFr 10,261.00
(b) Germany Fixed Income DM 98.73
(b) Netherlands Fixed Income FL 99.73
(b) US Dollar Fixed Income US$ 106.81
(b) Japan Equity Y 9,422.00
(b) Pacific Equity US$ 83.48
(b) Intl Portfolio 'A' US$ 99.51
(b) Intl Portfolio 'B' ECU 95.08
BEARBULL
(w) BB Futures Ltd. $ 1,228.2
(w) BB Forex Ltd. $ 1,145.8
BNP INTERFUNDS
BNP LUXEMBOURG
(w) INTERBOND FUND. $ 218.85
(w) INTERBELGIAN. FB 54,858.00
(w) INTERECU FUND 'A' ECU 258.84
(w) INTERECU FUND 'B' ECU 1,083.02
INTER CASH
(t) France Securite. FF 12,959.72
(t) France Monetaire. FF 11,122.56
(t) ECU ECU 1,427.21
(t) US$ $ 1,091.80
(t) DM DM 2,180.13
(t) GBP £ 1,111.29
(t) FRF FF 15,064.25
(t) France Capital. FF 31,853.95
INTER OPTIMUM
(w) BEF/LUF FB 74,211.00
(w) Multidevises DM. DM 2,040.36
(w) US$ $ 1,878.16
(w) FRF FF 10,595.01
INTER STRATEGIE
(w) France. FF 8,918.62
(w) Europe du Nord. £ 886.46
(w) Europe du Centre. DM 1,884.08
(w) Europe du Sud. ECU 899.34
(w) Japon. Y 136,531.00
(w) Amerique du Nord $ 924.24
(w) Sud-Est Asiatique. $ 779.63
BNP JERSEY
INTER CURRENCY
(w) US$ $ 11.9090
(w) DM DM 33.2494
(w) GBP £ 12.7017
(w) International Managed. $ 11.7379
INTER EQUITY
(w) French Offer. $ 17.56
(w) Pacific Offer. $ 14.92
(w) North American Offer. $ 10.57
(w) European Class $ 10.51
(w) Australia Class. $ 9.59
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726414
(w) Int'l Equity Fund (Sicav) $ 10.01
(w) Int'l Bond Fund (Sicav) $ 12.65
BANQUE INDOSUEZ
(w) F(F)Intl.S'pore+Malay. SG$ 7.02
(w) FIF-Internat. Div.A $ 18.80
(w) FIF-Internat. Div.B $ 19.78
(w) FIF Internat.America $ 14.63
(w) FIF Internat.Pacific $ 40.97
(w) FIF Internat.Europe $ 30.06
(w) FIF Internat.Japan Y 947.00
(w) FIF Int. Nat. Res. A $ 11.65
(w) FIF Int. Nat. Res. B $ 11.95
(w) FIF Int. Switz. SF 87.14
(w) Indosuez Mult. Div. A $ 735.45
(w) Indosuez Mult. Div.B $ 301.55
(w) Indosuez Multibonds US$ $ 112.12
(w) Indosuez Multibonds YEN Y 10,453.00
(w) Indosuez Mult. DM DM 107.09
(w) France International FF 83.61
(w) The Dragon Fund Sicav $ 92.50
(w) Asian Growth Fund $ 29.53
(w) Asian Income Fund $ 9.89
(w) Diverbond SF 70.70
(m) Dual Futures Fd. Class A Units $ 110.79
(m) Dual Futures Fd. Class B Units $ 109.44
(m) Dual Futures Fd. Class C Units $ 105.14
(m) Dual Fut. Fd. Class D Units $ 105.21
(m) Galaxy Futures Fd Ltd $ 118.79
(w) Himalayan Fund $ 10.44
(w) Indosuez Australia Fund $ 3.735
(d) Indosuez Hong Kong Fund $ 15.97
(w) Intl Bond Fund $ 10.71
(w) IPNA-3 $ 1120.00
(w) ISA Japan Rec. Gr Fd. Y 857.00
(w) Japan Fund $ 13.735
(d) Japan Warrant Fund $ 4.07
(w) Malacca Fund $ 13.69
(w) Managed Trust $ 16.280
(w) Maruia Fund $ 6.79
(d) New Zealand Fund $ 6.11
(w) North American Fund $ 28.345
(d) Oriental Ventures Trust $ 37.315
(w) Pacific Gold Fund $ 10.73
(w) Pacific Trust HK$ 19.345
(d) Pacific Warrant Trust $ 3.945
(w) Precious Metals Trust $ 8.185
(w) The Siam Fund $ 20.62
(w) Sing & Malay. Trust $ 11.935
(d) Worldwide Growth Fund $ 9.730
BANQUE PRIVEE E. DE ROTHSCHILD
(w) Daiwa Capital E. Fund $ 966.19
(w) Daiwa LCF Rothschild $ 1,040.98
(w) Ecu D'Or ECU 49.62
(w) Hispano Int'l Fund ECU 10.86
(b) Pri-Tech $ 1,103.99
(b) Source Sicav $ 12.20

BANQUE E. DE ROTHSCHILD LUX. SA
(b) Cursitor BP Fixed Inc.Fund DM 93.47
(b) Cursitor BP General Fund DM 109.73
(b) Eagle Fond LF 7,977.00
(d) Europe Japan Fund $ 9.94
(b) Governm. Sec. Fund* $ 64.52
(w) Leicom $ 2,230.23
(b) Opportunities Fund $ 923.26
(b) Prifirst $ 516.20
(b) Prirop fond DM 40.36
(w) Rente Plus BF 4,815.00
(f) Select. Horizon FF FF 62,364.48
(b) Star Conv.Fund FL FL 9,462.00
(b) Star Conv.Fund USD $ 91.98
BANQUE SCANDINAVE EN SUISSE-GENEVA
(w) Interbond Chf. SF 70.09
(w) Intelsec Chf. SF 1489.03
(w) Universal Intelbond $ 15.87
(w) Universal Intelsec $ 13.30
(w) Universal Intelbond FF 100.82
BROADGATE INTERNATIONAL FUND
(d) $ Money Market $ 13.76
(d) Non-$ Money Market DM 33.27
(d) $ Bond $ 14.13
(d) Non-$ Bond DM 30.91
(d) European Equities $ 9.91
(d) Global Equity $ 16.04
(d) Global Bond $ 15.26
(d) Global Bond & Equity $ 14.69
(d) Pacific Equities $ 9.92
(d) Prec. Mets/Min. Secs $ 5.56
B.W MANAGED ASSETS CY, SICAV
(t) Global Bond Fund ECU 10.21
(t) European Securities Fd. ECU 14.80
(t) French Securities Fund FF 135.84
(t) North American Secu.Fund. $ 13.23
(t) Pacific Basin Secu. Fund $ 9.42
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux Obl. Fses FF 6,132.11
(d) Fructilux-Obl.Euro ECU 1,138.36
(w) Fructilux-Act.Fses FF 6,122.63
(w) Fructilux-Act.Euro ECU 1,057.49
(d) Fructilux court terme FF 6,394.51
CALLANDER
(w) Callander Emer. Gr. $ 96.15
(w) Callander F-Asset $ 75.36
(w) Callander F-Austria AS 1,444.95
(w) Callander F-Spanish Ptas 7,401.00
(w) Callander Swiss Gr. SF 124.08
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund $ 85.25
(w) Capital Italia SA $ 37.14
CCF - GAMMA
(w) CM Actibonds $ 38.33
(w) CM Global Growth $ 10.33
(w) Elysees Court Terme FF 63,408.28
(w) Elysees Long Terme FF 57,165.93
(w) Elysees Monetaire FF 66,508.22
(w) EMF Sterlings (A & B) £ 566.43
(w) EMF Dutch Gul.(A&B) FL 1,847.79
(w) EMF D-Mark (A&B) DM 1,082.75
(w) EMF Ecu (A & B) ECU 1,068.10
(w) EMF US Dollar (A & B) $ 1,115.19
(w) EMF Yen (A & B) Y 99,374.00
(d) Europe Prest. Fd A ECU 8.72
(d) Europe Prest. Fd B ECU 10.25
(w) Euro. Smlr Cos. Fd.A ECU 12.41
(w) Euro. Smlr Comp.Fd.B ECU 12.41
CDC INTERNATIONAL
(w) CFI Court Terme FF 130,203.75
(w) CFI Long Terme FF 105,344.92
CIC GROUP
(d) Oblicic Monetaire FF 12,703.07
(d) Oblicic Court Terme FF 12,578.88
CITICORP INVESTMENT BANK (LUX)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citicurrencies USD $ 1,425.62
(d) Citicurrencies Managed $ 125.98
(d) Citinvest Manag. Growth $ 1,183.23
(d) Citi.Manag.Growth Euro ECU 987.88
(d) Citinvest Selector $ 842.00
(d) Citinvest Guardian $ $ 1,872.45
(d) Citinvest Guard. Euro ECU 1,069.84
(d) Citiport N.A Equity $ 141.08
(d) Citiport Jap. Equity Y 6,167.00
(d) Citiport UK Equity £ 93.60
(d) Citiport IAPEC $ 113.70
(d) Citiport Cont.Euro. Eq. ECU 122.01
(d) Citiport N.A.$ Bond $ 128.91
(d) Citiport Euro Bond ECU 108.01
(d) Citiport AS.Pac.Bd. Y 10,950.00
(d) Citiport German DM 77.86
(d) Citiport French Eq. FF 984.73
(d) Citiport Swiss SF 77.93
(d) Citiport Eamec $ 94.16
CITITRUST
(w) US. $ Equities $ 191.42908
(w) US. $ Bonds $ 13.10595
(w) US. $ Money Market $ 13.70808
(w) Citiland $ 752.55398
(w) Citiperformance Pfl S.A $ 8.98000
(w) Global Equities. $ 7.76030
(w) Global Money Market. $ 72.78000
(w) Global Bonds. $ 11.01000
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267.
(w) Bond:Dollar Med.Term $ 10.55
(w) Bond:Ecu Multicur. ECU 10.04
(w) Equity:United Kingdom £ 6.96
CREDIT AGRICOLE: MOSAIS
(d) Actions Bassin Pacif. $ 12.86
(d) Actions Europeennes ECU 13.97
(d) Actions Francaises FF 98.01
(d) Actions Int. Div. FF 93.55
(d) Actions Japon Y 2,049.67
(d) Actions Nord-Am. $ 17.93
(d) Court Terme ECU ECU 16.10
(d) Court Terme FRF FF 107.21
(d) Court Terme USD $ 15.30
(d) Oblig. Europeenes ECU 15.79
(d) Oblig. Francaises FF 107.18
(d) Oblig. HL Rendt. $ 16.55
(d) Oblig. Int. diversifiees FF 102.60
(d) Oblig. Int.Div.Sensib.Red FF 103.31
(d) Oblig. N. Americaines $ 15.36
CREDIT SUISSE (ISSUE PRICES)
(d) CSF Bonds SF 70.50
(d) Bond Valor Swf SF 93.25
(d) Bond Valor US-DOLLAR $ 122.56
(d) Bond Valor D-mark DM 100.18
(d) Bond Valor Yen Y 9,805.00
(d) Bond Valor £ Sterling £ 90.73
(d) Convert Valor Swf SF 135.75
(d) Convert Valor US-DOLLR $ 177.42
(d) CSF International SF 112.75
(d) Actions Suisses SF 486.25
(d) Europa-Valor SF 187.00
(d) Energie-Valor SF 133.25
(d) Canasec SF 444.00
(d) Ussec SF 371.00
(d) Pacific-Valor SF 121.50
(d) CS Eu. Blue Chips A DM 220.49
(d) CS Eu. Blue Chips B DM 220.49
(d) CS Gold Valor $ 123.08
(d) CS Ecu Bond 'A' ECU 101.25
(d) CS Ecu Bond B ECU 125.35
(d) CS Euro Finance Fd 'A' DM 196.76
(d) CS Euro Finance Fd 'B' DM 196.76
(d) CS Europa Bond 'A' DM 249.17
(d) CS Europa Bond 'B' DM 272.58
(d) CS Gulden Bond A FL 96.47
(d) CS Gulden Bond B FL 173.20
(d) CS Hispano Iberia Fd 'A' PTS 20,064.00
(d) CS Hispano Iberia Fd 'B' PTS 20,064.00
(d) CS Money Market Fund C$ 1,032.60
(d) CS Money Market Fund ECU 1,027.54
(d) CS Prime Bond 'A' DM 98.54

(d) CS Prime Bond 'B' DM 102.41
(d) CS Short-T. Bd DM A DM 98.64
(d) CS Short-T. Bd DM B DM 115.95
(d) CS Short-T. Bd $ A $ 103.50
(d) CS Short-T. Bd $ B $ 126.25
(d) CS Money Market Fund $ 1556.53
(d) CS Money Market Fund DM 1339.60
(d) CS Money Market Fund £ 1761.53
(d) CS Money Market Fd Yen Y 124,357.00
(d) CS Tiger Fund $ 512.32
DIT INVESTMENT FFM
+(d) Concentra DM 42.51
+(d) Int'l Rentenfond DM 71.82
EBC TRUST CO.(JERSEY) LTD.
1-3 Seale St.,St. Helier ;0534-36331
EBC AMRO TRADED CURRENCY FUND.
(d) Income $ 14.935
(d) Capital $ 23.184
INTERNATIONAL INCOME FUND
(d) Short Term 'A' (Accum) $ 0.6428
(d) Short Term 'A' (Distr) $ 0.4176
(d) Short Term 'B' (Accum) $ 1.1020
(d) Short Term 'B' (Distr) $ 0.7854
(w) Long Term $ 33.3373
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see PRISM ASSET MANAGEMENT
ELDERS SWITZ.(038) 25 77 25
(w) Elders Int Bid SF 89.25Offer SF 94.75
(w) Elders Aus Bid AS 80.00Offer AS 85.00
EQUIFLEX LIMITED
(w) Europe A FL 9.73
(w) North America A FL 8.12
(w) U.K. Equities £
(w) U.K. Small Co. £ 5.70
EURO PACIFIC ADVISERS Ltd.
(w) Meteore Y 106,939.00
(w) Pacific Horizon Invt. Fd $ 1,763.66
FIDELITY FUNDS 23.Bd Pcetleart L.1724
LUX 352 47466217 0732 777377 0534 34244
MAJOR MARKET FUNDS.
(d) America $ 0.965
(d) Europe DM 2.704
(d) Japan Y 155.0
(d) South East Asia $ 0.977
COUNTRY SELECT FUNDS.
(d) Asean $ 6.716
(d) France FF 58.41
(d) Germany DM 13.65
(d) Hong Kong $ 10.22
(d) Iberia Pts 1,042.00
(d) Italy LIT 9,708.00
(d) Malaysia $ 8.038
(d) Nordic SKR 47.39
(d) Singapore $ 9.410
(d) Thailand $ 9.961
(d) United Kingdom £ 0.502
BONDS FUNDS.
(d) European ECU 9.716
(d) International $ 0.967
(d) Yen Y 1,501.00
FIDELITY INT'L INV.SERICES (LUX.)
(m) Fid.Amer. Val.III Com. $ 33.20
(m) Fid.Amr.Val.IV $ 75.48
(d) Fid.Amer. Assets $ 122.15
(d) Fid.Australia Fund $ 14.22
(d) Balanced Port.Unhedged $ 10.00
(d) Balanced Port.hedged $ 10.44
(d) Conv Securities Pffl $ 8.81
(d) Discovery Fund $ 13.61
(d) Dollars Saving Trust $ 181.13
(d) Far East Fund $ 66.19
(d) Frontier Fund $ 19.31
(d) Global Ind Fund $ 12.72
(d) Global Selection Fd $ 12.28
(d) International Fund $ 13.60
(d) Orient Fund $ 101.92
(d) Pacific Fund $ 322.32
(d) Special Growth Fd $ 35.27
(d) World Fund $ 59.19
(d) New Europe Fund $ 10.29
FINAFUTURES (BVI) Ltd
(w) Portofolio (est.) $ 1.17
FOKUS BANK A.S. 472 428 555
(w) Scanfonds Int'l growth fd $ 1.46
GAIA CURRENCY FUNDS
(w) Gaia Hedge I $ 120.86 Red $ 120.34
(w) Gaia Hedge II $ 287.88 Red $ 284.35
(w) Gaia Hedge III $ 124.72 Red $ 121.62
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CAPITAL STRATEGY FD. LTD.
(d) American $ 1.340
(d) Canadian fund Can$ 0.7661
(d) British £ 2.224
(d) European Fund DM 5.176
(d) Eastern European Fd DM 4.400
(d) Asia Pacific Fd $ 1.871
(d) Japan Fund Y 588.2
(d) Australasian Fund £ 0.3019
(d) Global Resources Fund $ 0.7291
(d) Emerging Markets Fund £ 0.9637
(d) International growth $ 2.687
(d) Sterling Bond £ 1.010
(d) E.C.U. Bond Fund ECU 0.9616
(d) International Bond $ 1.262
(d) US$ Deposit $ 1.051
(d) Sterling Deposit £ 1.029
(d) French Franc Deposit Fd FF 10.64
(d) Sw. Fr. Deposit SF 5.267
(d) DM Deposit DM 5.344
(d) Yen Deposit Y 522.7
(d) Austr.Dollar Dep. Fd AS 1.095
(d) Global Conv. Bond Fd $ 17.38
GEFINOR FUNDS
London:071-4994171, Geneva:41-22355530
(w) East Investment Fund $ 849.85
(w) Scottish World Fund £ 165.2617
(w) State St. American $ 263.67
GENERALE BANK
(see also Interselex Group)
(d) Rentinvest $ 28.61
(d) Capital Rentinvest $ 146.36
(d) Rentinbel Distr. LF 9,840.00
(d) Rentinbel Cap. LF 11,270.00
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(d) GAM (CH) America SF 1176.00
(d) GAM (CH) Europe SF 77.00
(d) GAM (CH) Mondial SF 1142.00
(d) GAM (CH) Pacific SF 1495.00
GAM TRADITION ANGLEFONDS AG.
(d) GAM Tradition SF 817.00
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(w) (B)Genesee Short $ 119.13
(w) (C)Genesee Opportunity $ 104.29
(w) (E)Genesee Balanced $ 108.05
GLOBAL ASSET MANAGEMENT CORP.
11 Athol St.,Douglas,I. of Man.44-624-26037
(w) GAM Arbitrage Inc $ 220.40
(w) GAMerica Inc $ 186.43
(w) GAM Australia Inc. $ 116.83
(w) GAM Asean Inc $ 152.24
(w) GAM Bond Fund Inc U.S Ord. $ 111.34
(w) GAM Bond Fund Inc U.S Spe. $ 124.37
(w) GAM Bond Fund Inc. SF 77.31
(w) GAM Bond Fund Inc. £ 100.97
(w) GAM Bond Fund Inc. DM 87.26
(w) GAM Bond Fund Inc. Y 11,065.00
(w) GAM Boston Inc $ 232.34
(w) GAM Europe Fund $ 89.24
(w) GAM European Inc. $ 104.97
(w) GAM Franc-Val Inc. SF 153.70
(w) GAM France Inc FF 1,444.72

(w) GAM Global Fund $ 119.69
(w) GAM High Yield Inc. $ 77.04
(w) GAM Hong Kong Inc. $ 193.60
(w) GAM International Inc. $ 160.49
(w) GAM Japan Inc. $ 609.88
(w) GAM Money Mkts. Fund $ 102.92
(w) GAM Money Mkts. Fund £ 105.42
(w) GAM Money Mkts. Fund SF 102.90
(w) GAM Money Mkts. Fund DM 102.80
(w) GAM Money Mkts. Fund Y 10,270.00
(w) GAM Mlti-Mngt Deferred Cl $ 100.00
(w) GAM Mlti-Mgr Fd Inc Gen Eq $ 101.67
(w) GAM Mlti-Mgr Fd Inc Alloc. $ 105.74
(d) GAM Mlti-Mgr Fd - Trading $ 111.44
(w) GAM North America Fund $ 98.87
(w) GAM Pacific Basin Fund $ 125.98
(w) GAM Pacific Inc $ 506.03
(w) GAM Restr. Fd. Inc. $ 111.33
(w) GAM Selection Inc. $ 359.24
(w) GAM Singapore/Malay Inc $ 219.58
(w) GAM Swiss Fr Spec Bd Fd SF 76.69
(w) GAM Univ.D-Mark Accu. DM 102.59
(w) GAM Univ. D-Mark Income DM 102.59
(w) GAM Universal Accumul. $ 105.47
(w) GAM Universal Income $ 105.47
(w) GAM Value Inc. $ 76.95
(w) GAM Worldwide Inc $ 391.06
(w) GAM Tyche S.A. Class A $ 178.49
(w) GAM Universal (Sp) Inc. SF 90.46
(w) GAM U.S. Inc. $ 154.42
(w) GAM Whitehorn Fund Inc. $ 122.33
(w) GAM ut Inc. $ 418.68
(w) GSAM Composite Inc. $ 225.71
G.T. MANAGEMENT PLC
(d) G.T. ASEAN Fund $ 41.34
(d) G.T. Asia Fund $ 16.29
(d) G.T. Australia Fund $ 22.66
(d) G.T. Berry Japan Fund $ 30.26
(w) G.T.Biotechn./Health Fund $ 10.89
(d) G.T. Bond Fund $ 17.20
(w) G.T. Britain Fund $ 6.74
(d) G.T. Deutschland Fund $ 12.95
(d) G.T. Dollar Fund $ 17.25
(d) G.T. Europe Fund $ 30.62
(w) G.T. Emerging Mkts Fund $ 7.65
(w) G.T. Euro. Small Cos. Fund $ 33.95
(w) G.T.Global Small Cos.Fund $ 16.36
(d) G.T.Global Techno. Fd $ 14.48
(d) G.T. Hong Kong Fund $ 27.88
(d) G.T. Hanshu Pathfinder $ 11.95
(d) G.T. Investment Fund $ 13.30
(w) G.T. Japan OTC Stocks Fund $ 18.61
(w) G.T. Japan Sml Co.Fd $ 15.69
(w) G.T. Korea Fund $ 5.48
(w) G.T. Nat Res. Fd Gold Class $ 4.80
(w) G.T. Newly Ind. Countr. Fd $ 24.36
(d) G.T. Select Dollar Bd Pfl $
(d) G.T. Select Int Bd Pfl. £
(d) G.T. Select Gilt Pfl. £
(r) G.T. Technology Fund $ 29.12
(d) G.T. U.K. Small Companies $ 7.04
(w) G.T. U.S. Small Companies $ 12.28
HILL SAMUEL GLOBAL PORTFOLIO
1A rue Pierre d'Aspelt Luxembourg 1142
(d) H. S. Glbl Ptfl UK Equity £ 8.33
(d) H. S. Glbl Ptfl UK Sm.Co.Eq. £ 9.96
(d) H. S. Glbl Ptfl N.Amer. Eq. $ 8.59
(d) H. S. Glbl Ptfl US Sm.Co.Eq. $ 9.10
(d) H. S. Glbl Ptfl Pac.Bas.Eq. $ 9.27
(d) H. S. Glbl Ptfl Jap. Eq. Y 708.00
(d) H. S. Glbl Ptfl Euro Eq. DM 8.28
(d) H. S. Glbl Ptfl St.Fix.Int. £ 9.81
(d) H. S. Glbl Ptfl Eu.Fix.Int. DM 9.08
(d) H. S. Glbl Ptfl Glbl. Eq. $ 9.24
(d) H. S. Glbl Ptfl Glbl. Bond $ 10.03
(d) H. S. Glbl Ptfl Glbl. Med. $ 9.30
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
(d) Crossbow (Far East) SF 11.78
(d) CSF (Balanced) SF 32.25
(d) European Equity Fund DM 16.59
(d) Intnl. Bond Fund $ 13.34
(d) Int. Currency U.S.Manag'd $ 28.74
(d) ITF Fd (Technology) $ 15.36
(d) O'Seas Fd (N. AMERICA) $ 50.63
(d) Int. Currency U.S. $ 27.98
IAM, 2 Bd. Royal LUXEMBOURG
(d) Iam Flagship Fund ECU 99.90
(w) Iam Bonds Fund Div. FF 505.45
(w) Iam Bonds Fund-France FF 614.77
(w) Iam Bonds Fund-Deutschl DM 226.00
(w) Iam Bonds Fund-Japan Y 18,528.00
(w) Iam Bonds Fund-Switz. FS 181.43
(w) Iam Bonds Fund-Europe ECU 116.51
(w) Iam Europe global ECU 82.69
(w) Iam Europe luxe ECU 88.45
(w) Iam Europe 90/10 ECU 102.33
(w) Iam Europe 1992 ECU 89.77
(w) Iam Europe du Sud ECU 56.79
INTERSELEX GROUP
(d) Int.America Fund $ 15.41
(d) Int.Belga Fund BF 2,627.00
(d) Int.Europa Sicav LF 5,379.00
(d) Int.Pacific Fund $ 942.10
(d) Int.World Fund $ 83.94
ITALFORTUNE INTL. FUNDS.
(w) Class A (Aggr.Growth Ital.) $ 49.17
(w) Class B (Global Equity) $ 10.75
(w) Class C (Global Bond) $ 12.03
(w) Class D (Ecu Bond) ECU 9.86
CSFB FUND MGMT LTD (0481-713096)
PB122 St. Peter Port,Guernsey
(w) Islamic Mgmt Fund Ltd. $ 953.30
JARDINE FLEMING, GPO Box 11448 Hg Kg
(d) J.F Japan Trust Y 15,876.00
(d) J.F Pacific Sec. Trust $ 22.54
(d) J.F Pacific Income Trust $ 74.81
(d) J.F Hong Kong Trust $ 69.63
(d) J.F European $ 11.03
(d) J.F Global Bond Fund $ 15.51
(d) J.F Global Resources Trust $ 6.46
(d) J.F Global Sec. Trust $ 13.02
(d) J.F Glb Convertibles Trust $ 11.39
JULIUS BAER GROUP
(d) Baerbond SF 859.00
(d) Conbar SF 1,566.30
(d) D-mark-Baer Bond Fd DM 966.00
(d) Dollar-Baer Bond Fd $ 1,124.00
(d) Emerging Europe Fund DM 85.41
(d) Europe Bond Fund ECU 103.05
(d) Equibaer America $ 1,628.00
(d) Equibaer Europe SF 1,369.00
(d) Liquibaer $ 1,942.03
(d) Stockbar SF 1,612.00
(d) SFR-BAER SF 977.00
(d) Swissbar SF 1,862.00
KIDDER,PEABODY & Co.,Incorporated.
(b) Chesapeake Fund Ltd. $ 1,571.50
(b) Int'l Guaranteed Fd $ 1,036.12
(b) Stonehenge Ltd. $ 1,249.19
KLEINWORT BENSON SELECT FUND
(d) British Fund ECU 1.64
(d) Emerging Asia Fund ECU 1.39
(d) European Fund ECU 1.53
(d) International Fund ECU 1.42
(d) Japanese Fund ECU 1.36
(d) Korsallis World Fd. FM 9.15
(d) North American Fund ECU 1.46
(d) Pacific Fund ECU 1.40
LIPPO ASIA LIMITED
(w) Java Fund $ 8.26

LLOYDS BANK PLC, POB 438, Geneva 11
Ms. Dawn Mac Neil, 41 (22) 3073333/ext. 3294
+(w) Lloyds Int'l Dollar $ 114.00
+(w) Lloyds Int'l Europe SF 163.10
+(w) Lloyds Int'l Growth SF 171.80
+(w) Lloyds Int'l Income SF 260.00
+(w) Lloyds Int'l N. America $ 151.45
+(w) Lloyds Int'l Pacific SF 146.40
MALABAR CAP MGMT (BERMUDA) LTD.
(m) Malabar Intl.Fund $ 9.16
MAN INTERNATIONAL FUTURES
(m) Athena $ 10.78
(m) Alubal Mint Gtd.Fund.Ltd. $ 105.42
(m) Mint Limited - Ordinary $ 46.44
(m) Mint Limited - Income $ 15.38
(m) Mint Gtd Ltd - Spec Issue $ 22.92
(m) Mint Gtd Ltd - Series A $ 24.85
(m) Mint Gtd Ltd - Nov 1993 $ 21.99
(m) Mint Gtd Ltd - Jan 1994 $ 17.79
(m) Mint Gtd Ltd - Dec 1994 $ 15.60
(m) Mint Gtd Ltd - Aug 1995 $ 12.68
(m) Fbme Mint Gtd Plc $ 122.32
(m) Mint Sp Res Ltd (BNP) $ 110.54
(m) Newcastle Guaranteed Ltd $ 12.02
MAGNUM FUTURES FUND LTD.
(m) Deutschemark Class DM 20.29
(m) Sterling Class £ 5.31
(m) U.S Dollar Class $ 9.15
MERRILL LYNCH
(d) Dollar Assets Portfolio $ 1.00
(d) Iberia portfolio $ 9.75
(d) Multi-Curr. Bond Port.Cl.A $ 16.46
(d) U.S.A Income Portfolio $ 9.08
(d) US Federal Securities $ 9.46
(d) World Nat Res Pfl. Share A $ 10.89
(d) World Nat Res Pfl. Share B $ 10.79
GLOBAL CURRENCY PORTFOLIOS
(d) Australian Dollar Pfl. $ 12.35
(d) Canadian Dollar Pfl. C$ 10.33
(d) Deutschmark Portfolio DM 9.95
(d) Pound Sterling Portfolion £ 10.82
(d) US Dollar Portfolion $ 11.25
(d) Yen Portfolio Y 995.00
M. LYNCH MLT.NAT'L INV PFL-EQ
GLOBAL EQUITY PORTFOLIO
(d) Class A $ 8.54
(d) Class B $ 8.37
CONVERTIBLE SECURITIES PTFL.
(d) Class A $ 9.56
(d) Class B $ 9.54
CONVERTIBLE SERIES
(d) Euro Equity PFL Cl. A. $ 9.21
(d) Euro Equity PFL Cl. B. $ 9.19
BASIC VALUE PORTFOLIO
(d) Class A $ 7.96
(d) Class B $ 7.91
MIM BRITANNIA,POB 271, St. Helier, Jersey
(d) Amer. Inc. & Growth $ 1.246
(d) Asia Super Growth Fund $ 10.49
(d) Dollar Man.Curr $ 15.06
(d) Dollar Man. Port $ 2.002
(d) Gold & Prec. Metals $ 0.830*
(d) Gld. N.W. 1994 $ 7.89
(d) Int.High Income $ 2.537*
(d) Japan Dollar Perf. Fd $ 3.247
(d) Jersey Gilt £ 0.1682*
(d) Nippon Warrant Fund $ 11.18
(d) Okasan Global Strat $ 15.74
(d) Pioneer Markets £ 2.183
(d) Sterling Man.Port £ 1.396
(d) Sterling Man. Curr. £ 16.48*
(d) U.K. Growth £ 0.918
NIMARBEN
(w) Class A $ 161.77
NMB BANK,PO 1800,1000 BV Amsterdam.
(w) The Brazil Fund $ 1.07
(w) NMB Dutch Fund FL 36.10
(d) NMB Real Estate Fund. FL 37.30
(d) NMB Euramix Fund LF 2.133
NOMURA INVEST BANKING (M.E) E.C.
(d) Nomura Gulf Fund $ 8.45
NOMURA INTL. (HONG KONG) LTD.
(d) Nomura Jakarta Fund $ 8.85
OBLIFLEX LIMITED
(w) Multicurrency $ 24.07
(w) Dollar Medium Term $ 17.75
(w) Dollar Long Term $ 14.64
(w) Japanese Yen $ 27.51
(w) Pound Sterling £ 16.62
(w) Deutsche Mark DM 12.84
(w) Dutch Florin FL 13.03
(w) Dutch Florin Multi. FL 10.64
(w) HY Euro. Currencies ECU 10.56
(w) HY Euro.Curr.Divi.Pay. ECU 10.08
(w) Swiss Franc SF 10.25
(w) Swiss Franc Divi. paying SF 10.22
(w) US Dollar Short Term. $ 10.61
(w) Swiss Multicurrency SF 11.57
(w) European Currency ECU 14.70
(w) Convertibles $ 10.61
(w) French Franc F 106.59
(w) Swiss Multi-dividend SF 8.65
OLYMPIA Capital Intl.,BVI
c/o OCM, 17 ave. George V, 75008 Paris
tel.: 33-1-47230374
(w) Finsbury Group $ 109.77
(w) Olympia Securite $ 102.66
(w) Winchester Capital $ 101.56
(w) Winchester Frontier $ 189.51
(w) Winch.Hld.-Int.Madison ECU 1,037.91
(w) Winch.Hold.-Intl.Ser D ECU 1,224.77
(w) Winch.Hold.-Intl.Ser F ECU 1,218.82
(w) Winchester Hold.-US$ $ 16.18
(w) Winch.Reser.Multi.Gvbd $ 13.69
(m) Winch.Fut.Divers. $ 16.10*
(m) Winch.Fut.Orion $ 17.71*
PARIBAS-GROUP
(d) Beluv Fund LF 11,814.00
(d) Cortexa International $ 94.94
(d) Ecupar ECU 1,439.30
(d) Lurax $ 8.64
(d) Moneyflow LF 10,121.00
(c) Parinter Fund $ 208.27
(d) Par US Treas. Bond 'Cl B' $ 155.12
(d) Europhenix ECU 164.14
(d) Parinter Bond Fund $ 11.35
(d) Paribas-Rente 'A' LF 1,192.80
(d) Paribas-Rente 'B' LF 1,377.00
(d) Parvest Obli-Franc 'A' $ 1,331.11
(d) Parvest Obli-Franc 'B' $ 1,331.11
(d) Parvest Obli-Sterling £ 106.70
(w) Pargest SF 871.41
(w) Parvest Obli-DM 'A' DM 1,188.46
(w) Parvest Obli-DM 'B' DM 1,326.38
(w) Obligestion SF 85.45
(w) Parvest Obli-Dollar 'A' $ 1,154.65
(w) Parvest Obli-Dollar 'B' $ 1,353.58
(w) Parvest Obli-Yen 'A' Y 106,911.00
(w) Parvest Obli-Yen 'B' Y 116,669.00
(w) Parvest Obli-Gulden 'A' FL 978.39
(w) Parvest Obli-Gulden 'B' FL 1,121.81
(w) Parsuisse SF 1,201.47
(w) Parjapan Y 2,973.00
PERMAL GROUP
(b) Drakkar Growth $ 1,796.33
(b) EuroMir (ECU) Ltd. ECU 908.52
(b) Media Ltd. $ 604.41
(b) Noscal Ltd $ 1,610.21
(b) Special Opportunities Ltd $ 1,360.00
(b) Updyke Ltd $ 298.09
(b) Value N.V. $ 1,588.52

PIERSON,HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
(w) Asia Pac. Growth Fd N.V. $ 30.33
(w) Asian Selection Fd. N.V. FL 40.91
(w) DP Amer. Growth Fd N.V. $ 21.57
(w) Eur. Growth Fund N.V. FL 54.37
(w) Japan Diversified Fund $ 48.63
(w) Leveraged Cap Hold $ 334.79
(w) Tokyo Pac. Hold. N.V. $ 232.70
PRISM ASSET MANAGEMENT
(212) 573-0440 advisor to:
(d) EFF $ 360.94
(d) PTJ $ 118.77
(d) RAINBOW $ 113.80
(d) CONQUEROR $ 93.11
PUTNAM
(d) Emerging Hlth Sc. Trust $ 18.00
(w) Putnam Em. Info. Sc. Tr $ 12.55
(d) Putnam Glob. High Growth $ 11.51
(d) Putnam High Inc. GNMA Fd $ 8.98
(d) Putnam Int'l Fund $ 11.18
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
(d) Robeco FL 85.00
(d) Rolinco FL 79.50
(d) Rorento FL 60.00
(d) Rodamco FL 50.30
ROTHSCHILD AST.MGT.
(w) Tokyo Pac. Hold. (Sea) $ 169.80
ROYAL B. CANADA,POB 246,GUERNSEY
+(w) RBC British Fund Ltd. £ 4.469*
+(w) RBC Canadian Fund Ltd C$ 12.33*
+(w) RBC European Fund $ 12.33
+(w) RBC Far East&Pacific Fd $ 38.70
+(w) RBC Int'l Capital Fd $ 49.56
+(w) RBC Int'l Bond Fund Ltd. $ 13.90*
+(d) RBC Man.Currency Fd $ 41.92
+(w) RBC North Amer. Fd $ 12.75
ROYAL TRUST ASSETMIX FUND
Lux.Tel.:(352)489061
EQUITY FUNDS
(d) Alpha UK £ 1.08
(d) Alpha US$ $ 1.21
(d) Alpha Worldwide SF 3.98
(d) Alpha Japanese Y 822.00
(d) Alpha Pacific Rim $ 1.24
(d) Alpha European ECU 1.05
(d) Gold Share $ 0.91
BOND FUNDS
(d) Sterling Pound £ 106.04
(d) US$ Bond US$ 110.95
(d) Deutschmark Bond DM 48.82
(d) Alpha Worldwide SF 45.75
RESERVE FUNDS
(d) Sterling Reserve £ 12.882
(d) US$ Reserve $ 11.507
(d) Deutschmark Reserve DM 11.213
SAFRA REPUBLIC HOLDING
(w) Republic Gam Fd. $ 101.88
(w) Rep.(Gnsey) Dol.Inc.fd $ 9.74
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
(w) Equity Intl Acc $ 12.70
(w) Equity Intl Inc $ 11.50
(w) Equity Global $ 1.13
(w) Equity Far East $ 1.71
(w) Equity Gold $ 0.68
(w) Equity Japan Y 106.00
(w) Equity Nordic $ 1.36
(w) Equity U.K. £ 1.04
(w) Equity Continental Europe $ 1.32
(w) Equity Mediterranean $ 1.05
(w) Equity North America $ 1.14
(w) Bond DEM DM 0.93
(w) Bond Intl Acc $ 9.33
(w) Bond Intl Inc $ 7.20
(w) Bond Sweden SEK 10.76
(w) Bond Dollar $ 1.05
(w) High Income Acc $ 1.30
(w) High Income Inc $ 1.04
(w) Multicurrency $ 1.36
SOCIETE GENERALE GROUP
(w) SOGELUX FUND (SF)
(w) SF Bonds A U.S.A $ 12.45
(w) SF Bonds B Germany DM 23.25
(w) SF Bonds C France FF 91.28
(w) SF Bonds D Switz. SF 20.41
(w) SF Bonds E G.B. £ 8.84
(w) SF Bonds F Japan Y 1,643.00
(w) SF Bonds G Europe ECU 12.68
(w) SF Bonds H World Wide $ 13.36
(w) SF Bonds J Belgium BF 602.00
(w) SF Eq. K North America $ 12.31
(w) SF Eq. L W. Europe ECU 11.38
(w) SF Eq. M Pacific Basin Y 1,366.00
(w) SF Eq. N France FF 70.00
(w) SF Eq P Growth Countries $ 11.70
(w) SF Equities Q Gold Mines $ 9.69
(w) SF Equities R World Wide $ 12.03
(w) SF Short Term S France FF 125.00
(w) SF Short Term T Eur. ECU 12.23
(w) SOGELUX INDEX FUND (SIF)
(w) S.I.F. FR. Distrib. FF 890.53
(w) S.I.F. FR. Capital FF 890.53
(w) S.I.F. U.S. Distrib. $ 140.66
(w) S.I.F. U.S. Capital $ 140.66
(w) S.I.F. Jap. Distrib. Y 13,120.00
(w) S.I.F. Jap. Capital Y 13,120.00
(w) S.I.F. G.B. Distrib £ 92.94
(w) S.I.F. G.B. Capital £ 92.94
(w) S.I.F. World Distrib. $ 127.20
(w) S.I.F. World Capital $ 127.20
SODITIC ASSET MANAGEMENT INC.
(w) SAM Diversified Inc. $ 107.80
SVENSKA HANDELSBANKEN S.A.
146 bd de la Petrusse,L-2330 Luxembourg
(w) Neptune Maritime Fund $ 8.10
(b) SHB Bond Fund $ 47.47
(w) Svenska Select.Fd Intl Sh. $ 47.74
(w) Svenska Select.Fd America Sh $ 10.96
(w) Svenska Select.Fd Pacif.Shares $ 4.04
(w) Svenska Select.Fd Germany DM 8.51
(d) Svenska Sel.Fd Intl Bd.Sh $ 11.49
(w) Svenska Select.Fd Japan Y 514.61
(d) Svenska Sel.Fd Nordic Shs $ 10.37
(d) Svenska Sel.Fd S/T Ass.Sh $ 10.81
SWISS BANK CORP. (ISSUE PRICES)
(d) AmericaValor $ 266.21
(d) AngloValor £ 163.92
(d) Asia Portfolio SF 409.14
(d) Convert Bond Selection SF 88.19
(d) Dollar Bond Selection $ 137.19
(d) D-Mark Bond Selection DM 106.79
(d) Ecu Bond Selection ECU 99.50
(d) Florin Bond Selection FL 112.67
(d) FranceValor FF 1,491.80
(d) GermaniaValor DM 435.56
(d) Gold Portfolio SF 277.88
(d) ItalValor LIt 367,963.00
(d) Iberia Valor Pts 40,784.00
(d) Japan Portfolio Y 20,802.00
(d) SBC DM Short A/B DM 1,009.74
(d) SBC Ecu MMF. ECU 2,807.01
(d) SBC Euro Stock ECU 138.00
(d) SBC £ MMF. £ 2,114.92
(d) SBC Yen MMF. Y 514,400.00
(d) SBC US$ MMF $ 4,280.31
(d) SBC 100 Index Fund SF 914.00
(d) SBC Str Bond A SF 1,008.28
(d) SBC Str Bond B SF 1,049.03
(d) Sterling Bond Selection £ 107.82
(d) Sw. Foreign Bond Selec. SF 99.27

(d) Swissvalor SF 312.25
(d) Universal Bond Select. SF 71.50
(d) UniversalFund SF 91.73
(d) Yen Bond Selection Y 10,889.00
TEMPLETON W.WIDE INVESTMENTS
(d) GROWTH PORTFOLIO
(d) Class A-1 $ 8.68
(d) Class A-2 $ 8.98
(d) Class A-3 $ 8.81
(d) Class B-1 $ 8.57
(d) Class B-2 $ 8.87
(d) INCOME PORTFOLIO
(d) Class A $ 11.62
(d) Class B $ 11.53
TERMINVEST Tel: 40.78.92.89
(m) Dual Fut. Fd. cl. D Units $ 105.21
(m) Galaxy Futures Fd. Ltd. $ 118.79
THORNTON MANAGEMENT LTD.
(d) Thornton Int opps.fund $ 1.61
(d) Pacific Invt. Fd. S.A. £ 7.93
(d) Pac.Invt. Fd. SA DM 23.15
(d) Pac.Invt. Wrnts Fd.S.A. DM 8.55
(d) Pac.Invt. Warrants Fd.S.A. £ 2.93
S(d) Thornton HK & China $ 13.19
(d) Thornton Japan Fund Ltd $ 28.95
(d) Thornton Orient.Inc. Fd Ltd $ 20.99
(w) Thornton Phil. Redev. Fd $ 19.97
(d) Thornton Tiger Fund Ltd $ 26.03
(d) Thor.Litt. Dragons Fd Ltd $ 79.04
(d) Eastern Crusader Fund. $ 8.40
(w) The Global Access Fund. $ 9.6
NEW TIGER SEL. FUND
(d) Thailand $ 8.18
(d) Malaysia $ 8.34
(d) Indonesia $ 7.71
T. Rowe Price Associates Inc.
(m) T. Rowe Price Frontier Ltd. $ 13.35
TYNDALL INT'L GUERNSEY LTD
Tel.0481 27963
(d) Amer Spec Sits $ 39.19
(d) Eurobond $ 31.54
(d) Mortgage C$ 14.57
(d) Overseas $ 23.98
(d) Tiger $ 36.05
(d) High Yield Bond £ 62.4
(d) Marunouchi £ 80.5
(d) Far Eastern £ 426.90
(d) Gilt £ 532.40
(d) Mgd Currency-Dollar $ 1.045
(d) Mgd Currency-Stlg £ 116.4
(d) 1992 £ 227.40
(d) Wall Street £ 183.60
(d) HI Inc Gilt & Bulldog £ 100.70
UEBERSEEBANK, ZURICH
(d) B-FUND SF 920.28
(d) M-FUND SF 948.37
(d) E-FUND SF 484.82
(d) J-FUND SF 318.33
(d) M-Distribution SF 90.34
(d) UBZ Euro-Income Fund SF 9.20
UNION BANK OF SWITZERLAND
(d) Amca American Shrs SF 31.25
(d) Bond-Invest SF 56.50
(d) Brit-Invest Shares SF 643.00
(d) D-Mark-Invest Bds DM 189.90
(d) Dollar-Invest Bds $ 107.41
(d) ESPAC Spanish sh SF 164.00
(d) Eurit SF 285.00
(d) Fonsa Swiss Sh. SF 171.00
(d) Francit Shares. SF 182.00
(d) Germac Shares. SF 205.00
(d) Globinvest Shares. SF 84.00
(d) Gold Invest Shares. SF 171.00
(d) Holland-Invest Sh. SF 205.00
(d) Itac Shares SF 173.00
(d) Japan-Invest Sh. SF 1,083.00
(d) Sima (stock price) SF 226.00
(d) Skandinavien-Invest SF 199.00
(d) UBS Money Mkt Inv. $ 1,082.46
(d) Yen-Invest Bonds. Y 78,810.00
UNION INVESTMENT Frankfurt
(d) Unirenta DM 36.70
(d) Unifonds DM 32.30
(d) Unirak DM 70.65
(d) Unizins DM 108.75
THE UNIVERSAL GROUP OF FUNDS
(d) Univers Sav Amer C$ 8.13
(d) Univers Sav Equity C$ 9.56
(d) Univers Sav Global C$ 5.08
(d) Univers Sav Pacific C$ 8.43
(d) Univers Sav Nat. Res C$ 5.15

Other Funds

(r) Acticroissance $ 525.17
(d) Actifinance Intl $ 1,124.93
(w) Actifutures Ltd $ 1,413.61
(w) Actigestion FF 1,349.43
(w) Activest Intl $ 22.18
(d) Amvabel FL 52.50
(w) Aquila International Fund $ 240.60
(b) Ariane $ 4,036.60
(d) Asia Oceania Fund $ 8.21
(m) Associated Investors Inc. $ 720.59
(w) Atlantic Fund $ 66.70
(d) Atlas Fund SF 66.69
(r) Australia Fund $ 15.67
(w) Balfour Maclaine Series I $ 1,066.72
(w) BDD Inv Fund-Ecu Bd ECU 5,316.12
(w) BEM International $ 4.91
(w) Bergen Int'l Fund. $ 11.25
(w) Bondselex-Issue Pr. SF 103.35
(d) Bristol $ 940.00
(m) Cal Futures 1990 Fd. Ltd $ 28.76
(m) J Capel guaranteed Fund $ 9.68
(w) CMI Investment Fund $ 1,518.00
(d) CB German Index Fund DM 109.52
(m) Cleveland Offshore Fd. $ 21.06
(d) CS Oeko-Protec A/B DM 245.84
(w) Columbia Securities. FL 93.32
(w) Convert. Fd. Int'l A Certs $ 15.56
(w) Convert. Fd Int'l B Certs $ 52.38
(w) Cumber Intl N.V. $ 188.67
(w) Daiwa Japan Fund Y 7,280.00
(w) D.G.C. $ 200.88
(d) D. Witter Wld Wide Ivt Tst. $ 24.30
(d) Dreyfus America Fund $ 16.55
(d) Dreyfus Fund Int'l. $ 57.83
(w) Dreyfus Intercontinent $ 9.44
(w) Dumelux Amerique $ 1,015.85
(w) Dumelux Asie Pacifique $ 1,015.85
(w) Dumelux Bonds Plus $ 1,174.13
(w) Dumelux Europe ECU 1,022.27
(w) Dumelux France FF 6,133.56
(w) Dumelux Opportunit $ 1,015.85
(m) Dumenil Arbitrage Fd NV $ 634.98
(d) Emi Germ. Ind Plus(A) DM 79.01
(d) Emi Germ. Ind Plus(B) DM 79.01
(d) Emi France Ind Plus(A) FF 745.77
(d) Emi France Ind Plus(B) FF 745.77
(d) Emi Uk Index Plus (A) £ 82.05
(d) Emi Uk Index Plus (B) £ 82.05
(d) Emi Belg. Index Plus(A) BF 7,832.00
(d) Emi Belg. Index Plus(B) BF 7,832.00
(d) Equicurrency (DOM). ECU 1.38
(w) Esprit Sicav ECU 1,074.62
(w) Espir. Sto Inv M 5th Eur Fd $ 10.36
(d) EURASUD FF 943.42
(d) Europe Obligations ECU 75.88
(d) Europe 1992 $ 10.13
(m) Fatum Fund $ 849.92
(w) Fairfield Int'l Ltd. $ 141.15
(w) Fairfield Strat. Ltd. $ 57.10
(w) First Eagle Fund $ 32,625.48
(m) First Frontier Funds $ 101.18
(w) F.I.T. Fund H FF 115.65
(w) F.M.P Portfolio $
(d) Fondiltalia $ 79.82

(w) FL Trust Switzerland SF 81.00
(w) Fonselex Issue Pr. SF 150.30
(d) Force Cash Fri Sicav FF 15,400.15
(d) Force Cash AM Sicav DM 5,102.75
(d) Force Cash US $ Sicav $ 3,065.60
(d) Force Cash Ecu Sicav. ECU 2,572.80
(d) Forexfund Limited $ 9.42
(w) Formula Selection Fd. SF 62.71
(d) Frankl-Trust Eff. Fd DM 139.45
(d) Frankl-Trust Interzins. DM 37.89
(m) Gems Progressive Fd Ltd. $ 1,087.50
(w) George V INV. BOND F. $ 24.25
(m) German Sel. Associates DM 1,726.35
(d) Green Line France FF 594.27
(d) Guardian $ 940.00
(w) Haussmann Hldgs. N.V. $ 310.32
(w) Henisch T.F SF 10,072.00
(w) Hestia Funds $ 129.26
(w) Horizon Fund $ 2,002.66
(w) Ibex Holdings Ltd. SF 158.08
(w) IFDC Japan Fund Y 30,024.00
(r) ILA-IGB $ 7.27
(r) ILA-IGS $ 8.98
(m) IncAmerica N.V. $ 15.65
(m) IncAsia N.V. $ 8.86
(w) Inoremet $ 9.88
(m) Interface Fund Ltd. $ 148.99
(d) Interfund SA $ 45.41
(w) Intermarket Fund $ 443.19
(r) Int'l Securities Fund $ 29.18
(w) Intersec SA $ 3,631.19
(d) Investa DWS DM 65.00
(d) Investmentor Fund $ 103.90
(m) Japan Selection Asses. Y 10,829.00
(w) Japan Pacific Fund $ 206.52
(w) Japan Reg.Growth F. Y 870,035.00
(w) Japan Selection Fund $ 235.30
(d) JJ Placement FF 12,189.47
(w) JWH Worldwide Fund $ 9.63
(d) Kenmar L/C $ 12.39
(d) Kenmar Guarantee $ 12.68
(w) Kenmar Intl - B $ 12,274.00
(m) Key Hedge Fund Inc $ 108.16
(w) Kleinwort Bens. Jap. Fd. $ 231.44
(d) KML-II H.Yield 08/11/90 $ 535.96
(w) Korea Growth Trust $ 33.54
(w) LACO International $ 6.37
(w) Leumi Val.Francaises FF 927.31
(w) Liberty Offshore Fund $ 120.28
(m) London Portfolio G'td. I. $ 88.50
(m) London Portfolio G'td. II. $ 8.64
(w) Luxfund $ 112.79
(m) Lynx Sel.Holdings SF 118.23
(m) Maritime Fund Intnl Ltd $ 1,009.64
(w) Mat Growth USCF $ 8.50
(w) Mat Growth ESCF DM 19.07
(w) MBE Japan Fund LF 1,974.00
(m) MCM Int. Limited $ 150.02
(w) Moore Global Invts. Ltd. $ 1,757.94
(w) ML Morgens Lv H.Y.Inv.NV $ 8.46
(d) Mediolanum Sel. Fd. $ 39.00
(d) NCA FUND $ 10.67
(w) Nippon Fund $ 109.00
(m) NMT Asian Sel. Portfolio $ 179.18
(w) NMT Citadel Bond SF 111.39
(m) NMT Nastec Portfolio s/s. $ 115.36
(d) NM Inc. & Growth Fund $ 16.61
(d) Nomura-Cap Int Eq Fd $ 12.96
(d) Nordmix LII 10,725.00
(m) Nova Plus Fund I Ltd. $ 1,044.00
(w) Noveurope ECU 2,554.84
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(r) Uni Capital Fund $ 1,616.92
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(m) Unitrad SF SF 1,078.06
(m) Unitrad $US $ 1,362.97
(d) Univers Bonds DM 134.60
(w) Vanderbilt Assets $ 13.51
(m) Victor Futures Fund $ 223.00
(d) Victoria Holdings Limited $ 100.30
(w) Willerbond Capital $ 15.14
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Agence France-Presse

As enthronement rituals began, Crown Prince Naruhito led the imperial children into a private palace ceremony. He was followed by Prince Akishino and his wife, Princess Akishino, and Princess Nori.

Extending the Oldest Dynasty

In a Lavish Ritual, Akihito Accedes to Japan's Throne

By T.R. Reid

Washington Post Service

TOKYO — Clad in ancient court robes and wearing a tall, plumed crown, Emperor Akihito observed a lavish ritual performed by his ancestors Monday as he formally acceded to the Chrysanthemum Throne, extending the oldest monarchal dynasty.

A warm afternoon breeze carried congratulatory shouts of "Banzai!" over the graceful fluted roofs of the Imperial Palace. A brilliant autumn sun glistened on the multicolored banners and golden court regalia as the ascendancy of the 56-year-old sovereign was proclaimed to his nation and the world.

Accompanied by his wife, Empress Michiko, and attended by squadrons of courtiers in exotic robes who carried flags and played gongs and drums, the emperor declared his allegiance to Japan's postwar constitution, which makes him a "symbol of the state" with no governing authority.

The emperor made his brief pronouncement from the Takamikura, or "high honored place," a spectacular purple-and-laquerware stage with an ornate 20-foot-high octagonal canopy topped with a golden statue of a phoenix.

The empress, wearing a five-layer red, green, blue and silver kimono that weighs more than she does, stood perfectly still on her own ornate stage to Akihito's left.

On hand to observe the rites were representatives from 158 countries, including the U.S. vice president, Dan Quayle, and Prince Charles and Diana, princess of Wales. The foreign guests were excused from joining in the three shouts of "Banzai!"

"Banzai!" means "10,000 years" and is the Japanese equivalent of "Long live the king!" But the word became a controversial symbol of Japan's aggressive past because of its widespread use by Japanese soldiers in World War II.

After that war, the new constitution imposed on Japan by the United States changed the status of the emperor, and Akihito — whose name means "shining pinnacle of virtue" — is the first sovereign to take the throne since those changes were made.

While his father, Hirohito, was a figure of awe for whom millions of Japanese proudly gave their lives, Akihito's position is constitutionally restricted to symbolic status.

As a sign of the emperor's diminished status, Prime Minister Toshiki Kaifu offered congratulations on behalf of the nation while standing in the same room and at the same level as Akihito.

This was a sharp break with history for a nation where strict hierarchical distinctions have long been enforced by making lesser people stand or sit lower than the mighty.

The elaborate spectacle surrounding the enthronement has evoked tepid enthusiasm here. In a recent survey, only 13 percent said they were seriously interested in this rare imperial event.

But because a relatively tiny number of Japanese are violently opposed to the imperial system, security precautions for the ceremonies have been ubiquitous and relentless.

About 37,000 police were on the streets of central Tokyo; coin lockers, vending machines, and even public trash cans have been sealed shut; a police blimp hovered overhead warning citizens to report anything or anyone suspicious.

There were about 30 incidents Monday, a dozen or so involving incendiary bombs which exploded near military bases and Shinto shrines. None did serious damage, police said.

In central Tokyo, an estimated 2,000 protesters from the extreme left demonstrated with shouts of "Crush the enthronement! Storm the Imperial Palace!"

The enthronement ceremonies began early Monday when Akihito visited three Shinto shrines to report to the sun goddess and to his 100-plus imperial ancestors that he was about to take the throne.

The day's principal ritual was a half-hour ceremony called the *sokui no rei*, or enthronement ceremony, although Akihito never actually took a seat on the throne. The Takamikura, representing a mountain where the sun god is said to have placed her grandson to begin the imperial family in 600 B.C., will now be dismantled and packed away, not to be used again until the next emperor's enthronement.

Akihito has actually been Japan's emperor since the moment of his father's death on Jan. 7, 1989, and that day marked the official start of his reign, which is known as the Heisei, or "Achieving Peace" era.

But for reasons that reach back to early chapters of Japanese history, he could not officially complete the ceremonies of accession until this month. The rules governing this enthronment are based closely on those set forth in the Taiho Code, promulgated in 1701.

As part of the Taiho enthronement ceremonies — a series of events that continue, off and on, for about three weeks — Akihito later this month will dedicate part of the rice harvest to the gods. But because the code dictates that he can only dedicate rice planted after the one-year mourning period for his father has ended, he had to wait until the 1990 rice crop was harvested this fall.

An Imperial Progression

Reuters

Following is a brief chronology of Japan's imperial line:

By court tradition, Akihito is the 125th emperor in an unbroken succession, but historians dismiss the first 14 as mythical figures, and the line was broken once in the sixth century.

The dates of the 15th to 28th emperors are in doubt.

Circa 660 B.C. — According to court historians in the seventh and eighth centuries, Jimmu, a direct descendant of the Sun Goddess Amaterasu, ascended the throne as Japan's first tenno, or emperor. This is now dismissed as a myth.

Late third century — First historical emperor, Ojin, was a strong chieftain from the Yamato region, now Nara Prefecture in central Japan. He was a descendant of the horse-riding tribes said to have gone to Japan from Korea in the late fourth century and conquered it.

539 A.D. — Emperor Kimmei started his reign. He was the first emperor whose date of reign are backed by documentary evidence. His function was mostly that of high priest in the indigenous shamanistic religion now known as Shinto.

593 — Suiko, the first female ruler, acceded to the throne. Although closely associated with Shinto, the imperial family became protectors of Buddhism.

661 — Tenji, the first emperor to have political as well as religious sway over his subjects, began his reign.

806 — Kammu, the last emperor to rule as overlord, died. Thereafter, power passed to the Fujiwara family, who ruled as regents. Capital moved from Nara to Kyoto in ninth century.

1185 — Seven-year-old Emperor Antoku perished with the Heike military clan. Power passed to the Genji clan, whose leader became the first shogun, who ruled from Kamakura, near Tokyo.

1274-1281 — The shogun successfully defended Japan from Mongolian invasions.

1333 — Emperor Go-Daigo briefly usurped power and overthrew the Kamakura shogunate, but his wars with the military clan resulted in the split of the imperial line and two rival emperors.

The rival lines were unified 60 years later, but for the next five centuries, succeeding emperors lived a cloistered life in Kyoto while a series of shoguns — the Ashikagas and the Tokugawas — ruled the country.

1868 — The last shogun handed power back to Emperor Meiji, who proclaimed an empire and started modernizing Japan. The emperor, given sovereign status, became commander in chief of the armed forces and was revered as a "living god."

1912 — Meiji died and was succeeded by Taisho.

1926 — Taisho died, succeeded by Hirohito. Japan began period of military expansion into Asia that culminated in World War II.

1945 — Hirohito agreed to unconditional surrender. Emperor became "symbol of the unity of the people" and was relegated to ceremonial duties. Hirohito disclaimed divine status.

1989 — Hirohito died at 87. Akihito, his first son, succeeded him.

1990 — Akihito enthroned.

Cambodia Talks Are Set for Paris

Agence France-Presse

TOKYO — The five permanent members of the United Nations Security Council, along with Indonesia, will meet in Paris on Nov. 23 to discuss the Cambodian conflict, a French source said here Monday.

The report followed a meeting between Prime Minister Michel Rocard of France and the United Nations secretary-general, Javier Pérez de Cuéllar.

The decision to meet in Paris was made at a conference on Cambodia held in Jakarta over the weekend, the source said.

Hong Kong Holds Refugees After Court Sets Them Free

Reuters

HONG KONG — Immigration officials arrested eight Vietnamese refugees here Monday after a court ruled they should be freed. The eight, representatives of a refugee group of 111, were arrested as they walked from the High Court.

Judge Raymond Sears had just ruled that the group's 18-month detention had been illegal and ordered them released. He accepted their testimony that they had had no intention of staying in Hong Kong and had wanted to go to Japan after repairs to their boat.

Alistair Asprey, the colony's security chief, said in court last week that if the refugees were freed, immigration officials would refuse to allow them to stay and they would be held pending repatriation.

Judge Sears said such remarks constituted a threat to the judiciary. "Any arrests in the magistracy will be seriously punished," he warned.

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TURKEY AND The Black Sea Zone

An Investment Platform: A Geographic Advantage

One of President Turgut Ozal's major projects in recent years has been defining what Turkey's geostrategic role should be in the 21st century. He envisages Turkey as part of both the European Community and a similar Black Sea trade zone.

$11 billion in foreign exchange reserves

Although the impact of Iraq's invasion of Kuwait has, at least temporarily, adversely affected Turkish goods and services in important Middle East markets, its international image has been considerably strengthened and its expanding bilateral trade with its Black Sea neighbors — in particular the Soviet Union — has become all the more important.

In late September, a groundbreaking protocol providing for cooperation in a wide range of sectors was signed following a ministerial-level Turkish mission to the Azerbaijani capital, Baku. The accord foresees new consulates on both sides in Baku and the Turkish Black Sea port of Trabzon, construction of a new highway link, the installation of direct telephone dialing and the encouragement of joint ventures in tourism. The importation of 80,000 tons of coal from Azerbaijan, interconnecting power grids, Soviet natural gas imports to eastern Anatolia and Turkish oil exploration assistance in Azerbaijan were also discussed.

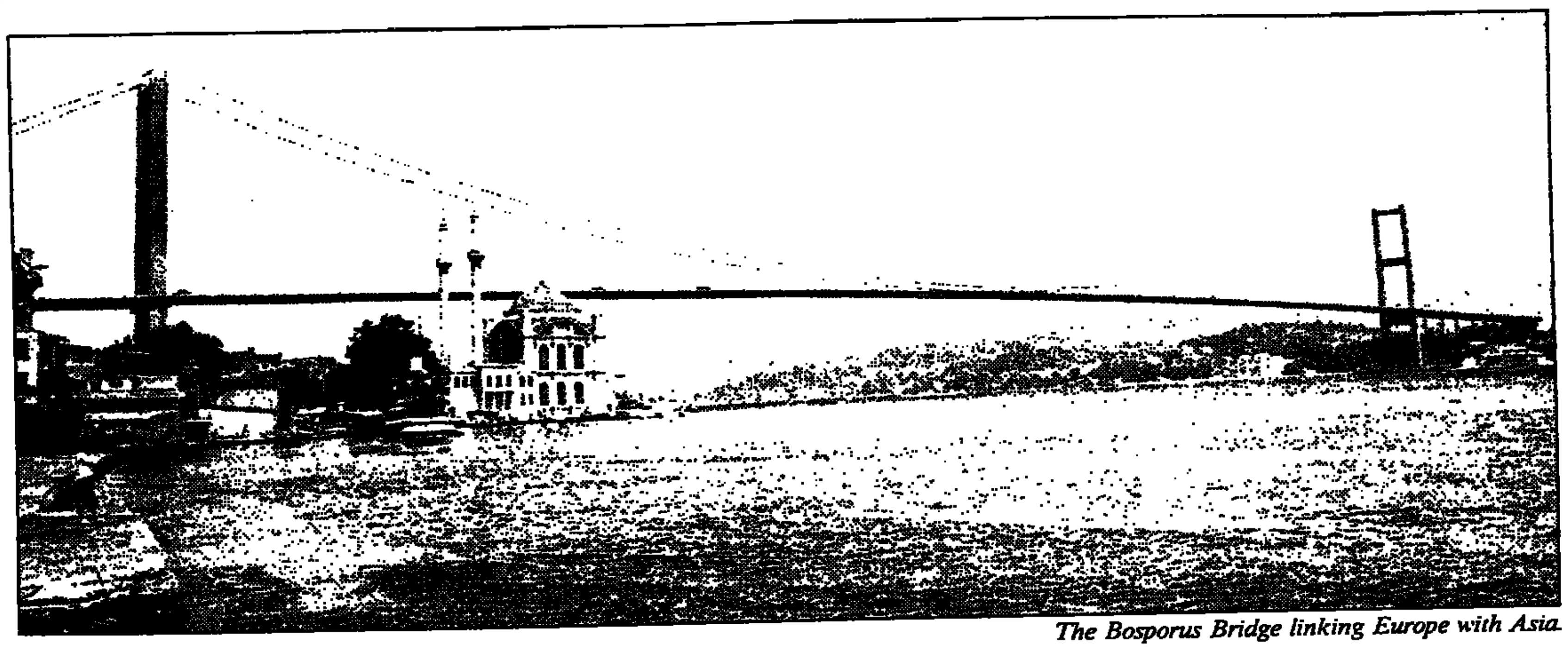
The crisis in the Gulf has undeniably saved Turkey's Western profile, which tumultuous change in Eastern Europe had threatened to alter. But whatever the outcome, Turkey's place in the region and the world will have changed radically.

As the Soviet threat faded last year, Turkey's importance to NATO on the alliance's once-important-exposed southeastern flank lessened.

Championed by U.S. President George Bush, Turkey's frontline role has become that of a secular state — although it is predominantly Islamic — and a model example of stability in a volatile region. By supporting UN sanctions and cut-

Continued on Page 10

President Turgut Ozal



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Banking Sector Moves Toward EC Standards

Under the pressure of both government legislation and market forces, Turkey's banking system has been forced to adapt and diversify.

Consumer credit accounts for 10 percent of loans

Turkey's financial sector has come a long way from the days when the primary function of the banks was simply to scoop up deposits and funnel the money into industry. Last year, stricter capital adequacy requirements and overliquidity (resulting from the fierce competition for deposits when interest rates were freed in autumn 1988) helped bring about the change.

In order to pull the industry into line with EC standards, banks must reach a minimum capital adequacy ratio of 6 percent this year and increase to 8 percent by 1992. The overliquidity and mounting risks for corporate lending during a recession forced the banking sector to go in search of other lending avenues. This spurred the shift into consumer credit through electronic computer hardware.

In some respects, this was a salutary experience. It means that the banking sector was poised this year to take advantage of the consumer boom generated by the liquidity in the economy from government pay handouts. Coupled with agriculture's ample recovery from drought last year, industrial expansion on the back of the boom could mean that the economy will grow by about 8 percent this year, according to the government's latest estimates.

On the other hand, the consumptive demand has fueled an unhealthy surge in imports, which the Gulf crisis may help to dampen. For the time being, however, the financial authorities are still firmly against interventions such as devaluation.

Currently, consumer credit accounts for at least 10 percent of the loans in the banking system. The banks have learned quickly from the European example, attaining new levels of sophistication with specific packages such as student and car loans and installment credit for household goods and appliances.

In 1989, banks branched out into capital market dealing in order to offset their minimal profits from mainstream retail operations. That helped to sustain the phenomenal success of the Istanbul stock ex-

Continued on Page 10

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Joint Ventures Key to Industrial Development

Foreign investment and technology transfer are the keys to future industrial development. Three projects exemplify the range of interest shown by foreign investors in Turkish industry.

Two projects in the automotive industry represent the new versus the old face of multinational investment in Turkey. The third shows the interchange of an established market share for modern technology and management expertise.

The Turkish automotive sector is one of the most promising growth avenues in the 1980s. More consumer-conscious and affluent middle-class Turks seek car ownership both as a status symbol and for utility. Demand for new cars over the next five years will rise to 500,000, according to government predictions. This is up from the 160,000 anticipated by the Automotive Producers' Association in 1990.

Demand for new cars: 500,000 by 1995

Attracted by this magnet, Toyota and Mitsui from Japan and Turkey's Sabanci group plan an assembly-line complex at Adapazari in northwestern Anatolia. Scheduled to open in 1993, it projects an eventual capacity of 100,000 cars and commercial vehicles annually at a total investment cost of around $300 million. Sabanci would have a 50 percent holding, and Toyota and Mitsui 40 and 10 percent, respectively. On start-up in 1993, the plant will produce the Corolla, but medium-term plans envisage a family of three cars from the Toyota range, in addition to commercial vehicles.

Also planned with this new joint venture is the construction of an electrical production line alongside the car assembly plant. Though production will be geared to the domestic market, in the long term, the Turkish operation may provide a base for Toyota's penetration into neighboring markets like the Soviet Union. As the largest single capital placement yet in Turkey, the Toyota project could be a bridgehead for follow-on Japanese investment.

This has challenged the existing multinational producers — established as import-substitution industries 20 years ago for restricted economies that dictated limited innovation and choice of models.

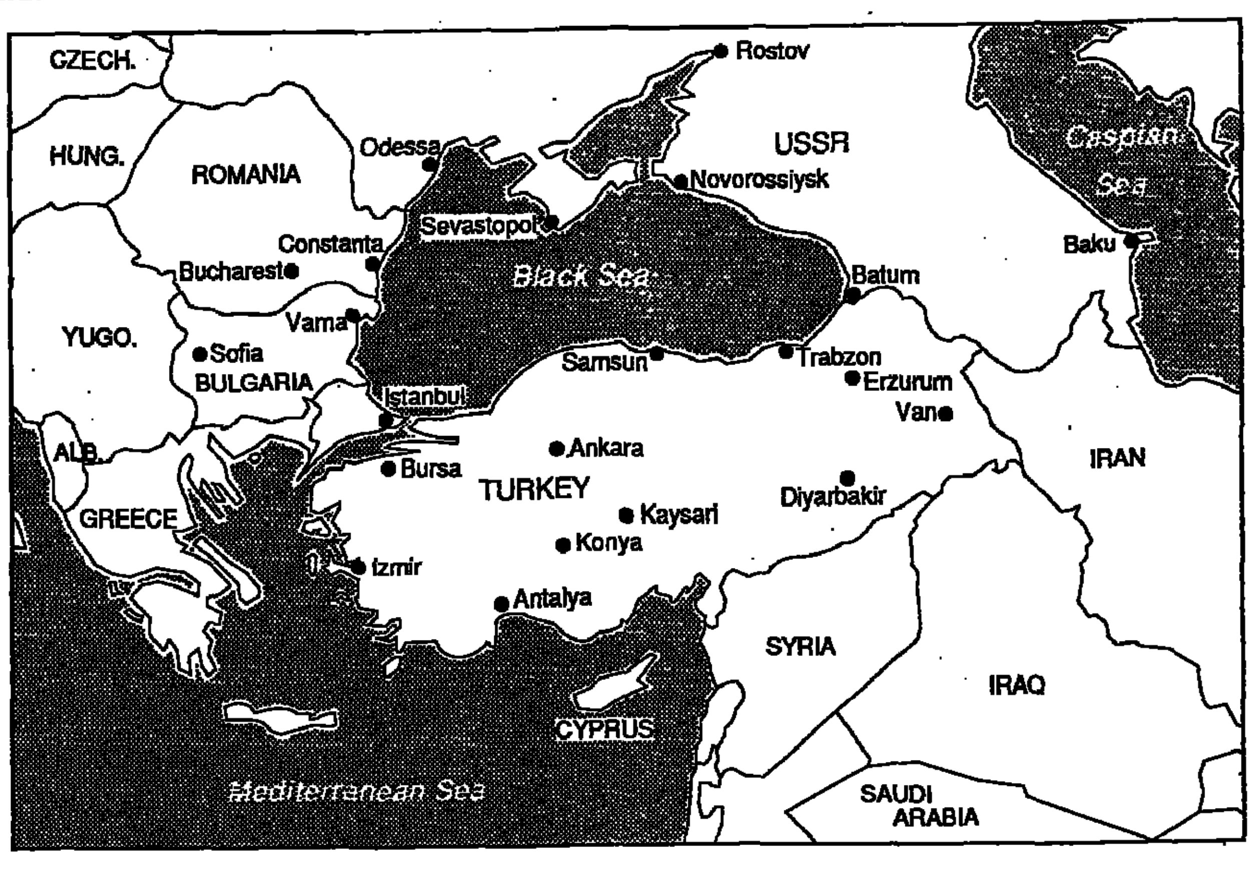
Stung into retaliation, the established market leader Tofas, a longstanding partnership between Fiat and Turkey's Koc Holding, began assembling this autumn the Tempra sedan, introduced only last spring in Italy. The production line at the existing Tofas plant in Bursa aims at 20,000 cars annually, some of which may be exported back to Italy, where capacity is already taken up with domestic demand. For the mid-1990s, Tofas has also scheduled the introduction of a small, popular car (along the lines of the Fiat 127) designed for developing markets like Turkey.

The third example is another Koc subsidiary, Bozkurt Mensucat, the largest integrated spinning, fabric and garment manufacturer in Turkey. The company has a total turnover of $110 million, and next year aims at $130 million, exporting around 50 percent of production. Bozkurt was originally founded in the 1950s, and in the 1980s, the Koc group sought a foreign partner to keep up with the globalization of the textile industry.

This was achieved in 1988 with France's DMC, which took a 50 percent stake in the company in return for its technology, management and marketing expertise. Since then, Bozkurt has restructured to place more emphasis on ready-to-wear manufacture, with its higher added value and competitive advantage in Europe over Asian producers.

The depreciation of the Turkish lira has particularly affected the export-oriented textile industry, and 1990 will not be a good year. But through its restructuring, Bozkurt is in a better position to weather the downturn in profits. "I am very hopeful for the future of the joint venture, which presents a model for the textile industry," says Atilla Alptekin, Bozkurt's general manager.

Jed Carter



Tomorrow's Television Pictures Today

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Bekoteknik, which produces up to one million TV sets a year, is on the cutting edge of consumer electronics technology. Founded 25 years ago, the company has operations in 10 countries, including Germany, England, Italy, Ireland and Singapore. Cumulative export sales last year exceeded $75 million.

"We have achieved some of the highest growth rates in Turkey and made a significant contribution to improved lifestyles for all," says Muvaffak Gozaydin, president of Bekoteknik. The company collaborates with many overseas manufacturers and has licensing agreements with world TV leaders like Hitachi, Toshiba, Nordmende and Samsung. Bekoteknik's Turkish factories employ more than 1,500.

As well as being responsible for the transfer of modern TV technology, Bekoteknik also has its own vigorous research and development department and a specialized quality control division that has been largely responsible for the company's overall success. The factories have a "zero defect level" at the quality-control stage through which all products must pass.

Bekoteknik's products conform to both British and German standards, as well as those set by the Turkish Standards Institute. The combined research and development and industrial engineering division has an experienced team of 50 engineers and technicians. Many new areas are being examined, including satellite receivers, medical engineering and ergonomic design.

Muvaffak I. Gozaydin, President of Bekoteknik

Lee Voysey

Communications: Trade Bridge to the East

Over the past decade of economic restructuring, several important internal initiatives have positioned Turkey for a dominant role in the integration of markets promised by the 1990s.

Turkey is not only in a pivotal position in the Black Sea economic grouping, but is also a trade bridge between Europe and Asia.

International flights regularly serve Ankara, Istanbul and Izmir, connecting with a network of domestic flights to every large urban center. The government is encouraging the private sector to establish commuter services with smaller turbo-prop aircraft feeding into main airports.

$2.5 billion highway construction under way

There are also plans for a second phase of highway construction following the first phase in the 1980s. This includes the second Bosporus bridge, which, when completed in the early 1990s, will have cost around $2.5 billion. By the year 2010, Turkey will have about 12,000 kilometers (7,500 miles) of motorways, compared with only 200 kilometers 10 years ago. Great strides have also been made in telecommunications, capped by the recent award of a contract for the country's first commercial satellite, Turksat.

Ferry and highway routes already connect Turkey with other members of the Balkan community. Transit trade flows through a ferry service between the Romanian Black Sea port of Constanta and Turkish entrepots, along the motorways through Yugoslavia, Bulgaria and Turkish Thrace, and across the two Bosporus bridges in Istanbul. The Turkish government also plans to upgrade and realign the railway between Istanbul and Ankara to provide a high-speed service.

Communications between Turkey and the Soviet Union have expanded along with trade on the strength of an exchange of Soviet natural gas for Turkish goods and services. A promising development has been the launch of a joint Soviet-Turkish airline, Greenair.

But the most exciting and far-reaching connections are blossoming with Turkey's neighboring Soviet republics, increasingly autonomous and keen to do business individually with adjacent Turkish provinces.

Several border trade agreements have been reached, the most recent with Turkish ethnic cousins in Azerbaijan on the Caspian Sea.

The opening of border crossings, which were closed by Stalin during the Cold War, began in 1988 with Sarp, in a little cove on the Black Sea coast. It is now bustling with tourists from both sides. There are already plans for the extension of a highway between Sarp and the Georgian port of Batum to the Azerbaijani capital of Baku.

Work is under way to extend Baku's international airport. The imminent introduction of regular flights between Baku and Istanbul has been welcomed by Western oil men seeking to exploit the potential of Azerbaijan's rich oil fields. An agreement for the installation of direct telephone lines between Turkey and Azerbaijan has also been reached by their governments with Turkish telecommunications companies. Reciprocal consulates are to be established in Baku and Turkey's Black Sea port of Trabzon. A road is under construction between Turkey and the Azerbaijan enclave of Mahichevan, and even long-hostile Soviet Armenia is showing signs of interest in increased cross-border traffic and trading.

J.C.

Banks Move Toward EC Standards

Continued from Page 9

change (IMKB). Due to the turnaround in the yields possible from stocks and shares compared to negative interest rates, slack gold prices, high inflation and the depreciation of the lira throughout the year, the IMKB bounced back from a two-year slump.

The government's Decree 32, which freed up cross-border capital market operations and virtually threw open the stock exchange to foreign investors, boosted the IMKB bull market in August. Emergent market funds quickly moved in, cleaned up and consolidated, to be followed in the autumn by foreign institutions and, finally, country funds specifically devoted to Turkish stocks.

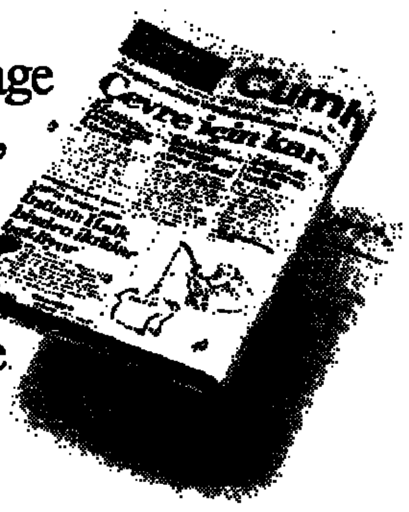
Since the spring, the commercial and industrial sectors, largely family-dominated, have become convinced that the time is ripe for the release of once jealously guarded equity. That has resulted in a string of major share issues that have carried the bourse on from its volatile bull run and have given the market sufficient depth and breadth to weather the impact of the Gulf crisis on investor confidence. In mid-October, the IMKB index was fluctuating steadily just above 5,000, compared with around 330 only two years ago.

The banking sector has recovered with stronger loan demands from industry this year. Lower costs of funds have meant wider margins. In the first half of 1990, the sector's profits climbed to TL1.27 trillion ($467 million), compared with TL1.85 trillion for the whole of 1989. The Gulf crisis is not expected to affect demand for bank credit at least until next year.

Major changes in other financial services parallel the metamorphosis of the banking sector and stock exchange. For example, leasing as a purchasing option is now an accepted alternative to both state and private-sector concerns. And, with deregulation from archaic fixed premiums, the insurance sector has taken off, with life cover at the forefront.

At the end of 1990, after a decade of restructuring, the domestic financial sector was far more compatible with international standards, and the exchange rate and other insular barriers had come down, all advancing the government's aim of integrating Turkey into the global financial system. During the early 1980s, foreign banks moved in to skim off lucrative earnings from burgeoning foreign trade revenues. At the start of the 1990s, the focus had switched to bids overseas by major Turkish banks and their holding groups, aimed at purchasing European and U.S. institutions.

J.C.


Reach the Right People Through the Right Medium

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Investment Platform

Continued from Page 9

ting Iraq's oil export pipelines across its southern territory, Turkey has departed from its previous policy of active neutrality during the Iran-Iraq war.

Mr. Ozal's handling of the crisis has greatly enhanced his reputation as a leader and international statesman. But at home, the opposition claims his overriding control exceeds the presidency's constitutional authority.

In many ways, the government's future is riding on the outcome of the Gulf crisis, and Mr. Ozal needs concrete gains to show the electorate once it is all over.

His theme of "more trade, not aid" would cement Turkey's place in the Western economic constellation far more durably than massive infusions of aid money in compensation for Turkey's sacrifices as a result of the crisis. Wider market access, especially for the export mainstay of textiles in North America and the EC, would also pave the way toward the Ozalian vision of Turkey as a global industrial and trading power in the 21st century.

Actual and potential losses to Turkey since the start of the Gulf crisis are estimated by the Turkish treasury at $5 billion.

After 10 years of structural adjustment from the closed regime, the buoyant Turkish economy would be seriously affected, say senior officials, but not ruined by the crisis if compensation were withheld. Foreign exchange reserves are at an all-time high of around $11 billion, and economic growth is estimated at 8 percent this year due to agricultural and industrial recovery. High inflation is on the way down.

This year's growth, however, was unhealthily consumptive. A surge of imports and raw materials pushed the current account into deficit after two years of surplus. Moreover, the Gulf crisis will probably double the year-end deficit to around $2 billion. In the short term, the best form of compensation would be a mix of direct financial assistance coupled with investment and larger export opportunities, say officials.

Both Washington and Tokyo governments have responded positively to this theme.

During a visit to the United States in late September, Mr. Ozal called for negotiations toward a free trade agreement. Mr. Bush responded with an announcement that talks on increased textile purchases would begin. Mr. Bush also said that the U.S. administration would push hard for approval of its annual aid appropriation request to the U.S. Congress for $530 million in military and economic assistance and to promote Turkey's full membership application to the EC.

Turkish exporters are constantly complaining about EC quota restrictions on textiles. But though EC officials remain set against any negotiations on Turkey's full membership application until after the implementation of the Single Europe Act in 1992, they say progress toward a Customs Union by 1995 could be expedited — if Turkey also displays the right spirit of compromise.

Though the EC will remain Turkey's main trading partner, there are alternatives. Bilateral trade with the Soviet Union is growing toward a target of $2 to 3 billion annually as the result of an exchange of Soviet natural gas for Turkish goods and services, particularly contracting. And with greater autonomy granted through *perestroika*, neighboring Soviet republics have sought their own trading agreements, most recently with their Turkish ethnic cousins in Azerbaijan.

Expansion of trade with Iran — to which Turkey extended a $400 million export credit soon after the invasion of Kuwait — will help offset lost Iraqi trade. Mr. Ozal also looks forward to a stronger Economic Cooperation Organization between Iran, Pakistan and Turkey in the 21st century.

And indirectly, the Gulf crisis has boosted the importance of Turkey's pivotal business location in the Middle East. The government is already canvassing ways of making Istanbul an offshore financial center halfway between London and Tokyo in order to attract international banks that are leaving Bahrain.

J.C.

Dünya: The reflection of the Turkish economy

DÜNYA is the newspaper for those who are interested in the economies of Turkey and other countries of the world.

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CAROLINE PENN

CAROLINE PENN

The manufacturing sector has attracted the highest share of foreign investment. Among the leading examples of joint ventures are the MAN car and truck factory near Ankara and the Koniteks/Lee Cooper factory in Adana.

Bank Specializes in Capital Markets

Since a major reorganization in 1981, TEB has emerged as one of the country's leading financial institutions providing a whole range of corporate and merchant banking services for both domestic and international clients.

During the last eight years, Turk Ekonomi Bankasi (TEB) has made a name for itself as a "niche banker" specializing in short-term trade financing.

Today it is continuing to broaden its operational base. One of its most important roles is acting as advisor to the Public Participation Administration (PPA), the government agency responsible for implementing privatization policy.

Last year, TEB received an "A" rating

TEB's team of experts are involved in all stages of the privatization process. To date, TEB has successfully handled the sales of three state-owned companies to foreign partners and is currently working on the privatization of Petkim, one of the country's largest petrochemical complexes.

With a staff of more than 500, there is a strong emphasis on service. "We have not invested in real estate, buildings or companies, but we have allocated our capital to banking purposes," says TEB's management. There is a long tradition behind the bank, originally founded as Kocaeli Halk Bankasi in 1927 in the industrial city of Izmit. Following the wave of economic changes taking place in Turkey 10 years ago, the bank was transformed from a regional bank to a merchant bank of international status. It was renamed in 1981 and moved to Istanbul.

TEB has grown steadily in the intervening years and maintained a strong assets ratio. Last year, the bank received the highest rating — "A" — of any private bank, according to the listing by the international ratings agency, Capital Intelligence.

"We have consistently emphasized financial strength and profitability rather than growth for its own sake. Our capital base has been augmented each year in order to maintain a capital adequacy ratio well above international standards," says a TEB director.

TEB's management is among the most able and experienced in Turkey. It combines international training and experience with a perceptive understanding of the Turkish market. Six of the nine board members are also executive directors in charge of different divisions of the bank.

"We are committed to providing our clients with financial ability, understanding and discretion. Quality underlines our character and performance," adds the TEB director.

Business growth has been matched by regular injections of new capital. Shareholders' equity has risen from 1 billion Turkish liras ($365,000) in 1982 to TL117.9 billion last year. Authorized capital increased from TL4 billion to TL100 billion over the same period. The bank's core business can be defined as the following:

- **Commercial banking:** TEB works with 750 of the country's leading companies and 400 prime correspondent banks around the world. Last year, TEB financed 7 percent of Turkey's foreign trade. Turnover exceeded $1.9 billion. In the future, TEB intends to expand its market share and increase its volume of trade-related business by expanding its client base.

TEB's loan portfolio is made up of short-term finance credits of less than 180 days. These are mostly self-liquidating transactions. The bank serves companies involved in many of the country's key industrial sectors, including chemicals, petrochemicals, pharmaceuticals, textiles and steel. It has also played a significant role in financing some of Turkey's traditional exports — tobacco, cotton and other agricultural products. Last year, TEB's financing accounted for 30 percent of the total tobacco crop.

- **Capital markets and treasury:** The bank is one of the top five participants in the capital markets. Trading volume in government bonds and treasury bills amounted to TL3.2 trillion — 6 percent of total sales. Income from trading securities amounted to TL30.3 billion last year, a 500 percent increase over 1988. The rising trading volume indicates the bank's expanding corporate customer base, and it expects to gain 9 percent of the total market share by the end of the year.

Following changes in investment regulations, TEB is now able to act as advisor and custodian to several foreign mutual funds investing in Turkey. Other changes will allow TEB to underwrite and trade private sector bonds and commercial paper (securities). The treasury division handles all the bank's money-market transactions in Turkish lira and foreign currency both on the domestic and international exchange markets. It also handles SWAPS, futures and arbitrage.

One of the most recent developments has been the opening of the gold market in Turkey. TEB is one of the three leading traders. During the second half of last year it traded more than eight tons of gold worth $103 million.

- **Advisory Services:** One of the strongest features of the bank is its diversified and expanding merchant banking services. Specifically, it has concentrated on advising a select group of corporations and government agencies. A major activity has been its advisory service to the PPA, the government agency dealing with privatization of the state sector.

Mergers and acquisitions is another area of growing interest to TEB, whose sound knowledge of the local scene gives it an advantageous insight into the local economic environment. Its in-depth understanding of clients' needs allows TEB to provide comprehensive solutions to the complex problems facing corporations today. This integrated approach gives corporations the benefit of a full range of services tailored to meet the needs of a rapidly changing business environment.

Corporate evaluation, marketing and investment strategies, underwriting, money management, project finance, syndications and management consultancy are among the many services offered to clients.

- **Private Banking:** Two private banking branches are being established in Istanbul to service high net worth individuals. TEB is offering a tailor-made personal service for its clients. It includes savings and checking accounts, international credit cards, foreign currency accounts, CDs, treasury bills, equities, portfolio management, safety deposit boxes and insurance brokerage.

- **Systems analysis and development:** The bank has developed some of the most sophisticated banking software in Turkey. Each branch is now fully automated, making TEB one of the most efficient banks in the country. TEB's software company, BILTIM, helps other banks and corporations choose the most appropriate systems for their particular needs and businesses. It also provides training on BILTIM's advanced banking software already in use by four other banks in Turkey.

- **Staff:** The bank has 500 employees, of which 51 percent are graduates. Forty percent are fluent in one foreign language and the managers have an average 20 years' experience in banking. The bank has a policy of recruiting highly educated and skilled professionals for its management. This has greatly enhanced TEB's ability to provide the highest overall banking standards.

L.V.

TEB's annual growth has been consistently sustained.

Billion Turkish liras*	1986	1987	1988	1989
Shareholders equity	7.6	15.2	41.6	117.8
eposits	19.2	39.3	128.5	307.5
Loans	6.5	24.2	87.3	314.0
Income before tax	3.3	4	21.5	39.6
Net income	2.0	3.5	13.9	35.1
Total assets	44.4	98.0	300.0	702.6
Asset quality			1988	1989
Loan provisions			0.01%	0.06%
Credit risk assets provision			0.01%	0.03%
Risk/asset ratio			10.59%	10.63%
Leverage of total capital (times)			9.20	7.49
Liquid assets to total assets			62.50%	50.12%
Return on average assets			7.00%	7.00%

* $1 = TL2,728.

New Opportunities for Foreign Investors

Foreign investment has been one of the success stories of the Turkish government's ambitious structural adjustment program during the 1980s. In the first eight months of the year, the total value of government-issued foreign investment permits was $862 million. Actual inflow totaled $750 million.

This compares with $1.5 billion and $738 million on the same basis for the whole of 1989. Total inflow over the past decade amounts to $2.6 billion, and for investment permit approvals, $5.3 billion.

Much of the credit for the expansion over the past few years must go to the State Planning Organization's foreign investment department, which was established in 1986 to simplify the red tape clogging the otherwise remarkably liberal foreign investment law 6224 passed in the mid-1950s.

Tourism — prime investment avenue

In general, foreign investors are treated on the same basis as domestic companies for opportunities such as investment incentives. At the same time, they are free to repatriate dividends, capital or proceeds from the sale of assets. In addition, a government decree freed up cross-border capital movements last year. The subsequent entry of foreign investors into the Istanbul stock exchange has increased the international financial integration of the Turkish economy.

As might be expected, in the early to mid-1980s, after the 1980 military coup, foreign companies were initially cautious. They sought stakes in medium-scale businesses with an established market share and those in need of capital or infusions of technology or both.

But over the past two years, the number of start-up joint-venture projects has increased. The most noteworthy among them are Japan's Toyota, France's Peugeot/Citroën and their respective local partners, with projected production capacities of up to 100,000 units. Each plant will cost around $200 million to $300 million. The automotive sector seems poised for growth in the 1990s, with smaller but more numerous joint-venture projects springing up inside industries such as car parts and paint.

At the same time, momentum has picked up, thanks to Turkey's pivotal location between Europe and Asia, for vertical product integration — components production or assembly for resale under a different brand name. Turkey's proximity to export markets like the Soviet Union and Iran is an added attraction for multinationals looking for an exporting base with cheap, skilled, diligent and plentiful labor. High inflation has been a problem, but exchange-rate strategies that emphasize foreign-exchange generation in projects can be developed accordingly.

At the same time, Turkish companies have sought and capitalized on joint-venture investment projects with state concerns in the Soviet Union, such as ceramics and sanitary ware.

Although manufacturing has the highest share of foreign investment, the lack of new and diversified productive capacities has been a drawback. Services, headed by trade and tourism, account for a large portion of foreign investment. And despite the crisis, tourism is still a prime investment avenue for quick returns.

Estimates by the treasury suggest that as a result of the Iraqi invasion of Kuwait, potential foreign investment will have been set back by around $400 million.

Major foreign investors like Toyota that have projects under way have expressed some misgivings. But in the long term, the economy's resilience should reverse the decline. Indirectly, the crisis may deflect funds from the Gulf to a safer and more profitable haven in Turkey — into schemes like the "build-operate-transfer" project for the expansion of Istanbul's Ataturk international airport and the development of a nearby world trade center.

Sales to foreign interests in the country's ambitious privatization drive have stirred up a good deal of chauvinist controversy this year. However, block sales of shares to either foreign or local businesses remain an essential first step for the Public Participation Administration, which oversees the privatization program. Recently, however, it has placed greater emphasis on public issues.

J.C.

Ready for First Balkan Summit

Turkey is ready to host the first Balkan summit, said the Turkish Foreign Minister Ahmet Kurtcebe Alptemocin at a late October Balkan foreign ministers' meeting in Albania. He also suggested that a council of ministers from Balkan countries be formed to oversee Balkan economic cooperation.

Other suggestions were a Balkan Chamber of Commerce and Industry and the establishment of a Balkan bank to follow joint infrastructure projects.

In another recent Balkan development, the Turkish Export Credit Bank, Eximbank, is likely to extend a $100 million trade credit to Bulgaria, having already opened a $50 million trade credit with Romania.

Agreement is pending with the Soviet Union for another $300 million Eximbank credit, bringing the total extended since 1988 to $950 million.

J.C.

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STYLE MAKERS

Garbo's Knickknacks

New York Times Service

NEW YORK — Two kinds of people turned out for the opening of a five-day exhibition of the Collection of Greta Garbo at Sotheby's auction house: People who appreciate paintings by Renoir and Bonnard and French antique furnishings with a classy provenance. And people who would have gone to an exhibition of Garbo's garbage.

Ross Clark, of Putnam County, New York, would be in the latter category. Transfixed by an 18th century footstool. Clark was seeing more than a piece of beechwood with an upholstered top and circular tapered legs. He was seeing Garbo's feet, propped up, in flat-heel shoes. "I read somewhere she wore size 9AAA," he said.

This was hardly the only trivia heard as the crowd — 1,615 in all — toured a gallery at Sotheby's where a small wing had been arranged to vaguely resemble a salon. There they stared, quite brazenly, at the trappings of Garbo's elegant New York City refuge, while clutching copies of the auction catalogue. Reproduced on its slipcase was the salmon-pink fabric of Garbo's bedroom draperies. "I don't think I'll tell my husband I paid $65 for this," said Kay Lewis, patting her catalogue.

Garbo and one of her Renoirs.

THERE were writing tables, chests of drawers, two tall vitrines filled with porcelain, including a much-admired scent bottle in the shape of a wizard. There were more than a dozen chairs, all Louis XV or Regency, proof that the star whose name is synonymous with solitude was at least prepared for company. There were scores of artworks on the wall partitions, but, Lewis and other early birds complained, where was Renoir's "Secret," valued by the auction house at $2 million to $3 million?

It turned out that the painting was being videotaped for the "CBS This Morning" show, along with John L. Marion, Sotheby's chairman in North America and its chief auctioneer. By noon, the Renoir was back on the wall and Marion was back touting the Garbo collection, about 250 items. Valued by the auction house at more than $20 million, the collection is being sold by the estate of the actress, who died in April. Sales are scheduled for Tuesday, Wednesday and Thursday.

For bidders as well as browsers, Garbo offered surprises. She surrounded herself with vibrant colors, particularly shades of pink, from dusty rose to fuschia. Her movie fans thought of her in shades of gray.

Another surprise was the absence of personal articles. Fans looked in vain for the slouch hat, dark glasses or Art Deco cigarette holder.

On her legendary walks on the Upper East Side of Manhattan, Garbo haunted the shops of art and antiques dealers, and some of them came to the show to see how she had lived. She did not use decorators, being a do-it-yourselfer, although she once asked Billy Baldwin to suggest a painter. One of the few antiques dealers bold enough to handle the bibelots Garbo owned was John Walker. But then he knew her, sort of.

"I used to be Cary Grant's chef when he had a place near Garbo's," Walker recalled. "One day I walked out by the trash bin and there she was. She asked, 'Is it true Cary Grant lives here?' I said, 'Yes,' and gave her a tour of the house.

"Later Mr. Grant came home and asked if there were any calls, any visitors. I said, 'Just Greta Garbo.' "

Georgia Dullea

YVES SAINT LAURENT
fourrures

YVES SAINT LAURENT RIVE GAUCHE
38, faubourg Saint-Honoré, 8e

YVES SAINT LAURENT RIVE GAUCHE
6, place Saint-Sulpice, 6e

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Herald International Tribune
U.S. and Soviets Address Conventional Force Cut And Warsaw Pact's Role

Ira Neimark takes his stance on the miniature putting green in Bergdorf Goodman's new men's store in Manhattan.

Moore/Thoma

Bringing Savile Row to Fifth Avenue

International Herald Tribune

NEW YORK — To open a new store in New York at this time of retail crisis requires a greater act of faith than believing in Santa Claus.

But a store has risen on Fifth Avenue on the site of F. A. O. Schwarz — the toy shop where generations of American kids have pressed their noses against the windows. It is now the new men's store of Bergdorf Goodman — symbol of luxury, taste and quality in tough times.

It is also the ultimate plaything for Bergdorf's chairman, 68-year-old Ira Neimark, for he has made the store in his own image and to appeal to his own traditional values. They are based on the solid Savile Row virtues of old England — with some polish and top spin for the American market.

"I look out of my office on 58th Street and I see the wealth of the world," he says. "There are 5,000 apartments on Fifth; Madison and Central Park West, home to the Rockefellers or to Jackie Onassis. This is their neighborhood store."

The facade matches the main Bergdorf Goodman store opposite, on the east side of Fifth beside the Plaza Hotel. Just inside the Fifth Avenue doors are shirts from Neimark's favorite French store, Charvet. In the center of the ground floor is a sundial of neckwear, with displays from Hermès, Armani, Ferragamo, Chanel.

"A man's security blanket," says Neimark of the Hermès ties that sell at a rate of 100 a day. The scent of saddle soap and old leather comes from the department of the traditionally British W. H. Gidden, with its discreet royal warrants and striped horse blankets made up into travel bags.

Here is the palatial luxury of space in a compact 45,000-square-foot (4,180-square-meter), three-level store. A central rotunda stretches upward to a domed ceiling. At its base, a service counter offers to arrange anything from an airline ticket to a haircut.

"We wanted the feeling of a gentleman's club," says Neimark.

Research had shown that 70 percent of potential customers are golfers, so on the middle floor there is a miniature putting green flanked by colorful Lacoste shirts. Neimark, who recently was invited to play the golf at the Windsor Castle course, has put on offer everything the "ultimate gentleman" might want for his wardrobe, from a Burberry to a splash of Penhaligon fragrance, to a suit in luxury cloth, custom made, or selling off-the-peg at $1,500.

SUZY MENKES

"With us, it is the $700 suit that is slow to sell," he says. Ever the showman, the dapper chairman is trying on for size an Alan Flusser tailored camel coat. "You notice I don't ask the price, because if its the coat is right, I'm going to buy it," he says.

A Turnbull and Asser boutique on two floors, connected by a staircase lined with old English prints, has a separate entrance on Fifth Avenue and evokes the atmosphere of the shop in London's Jermyn Street. Neimark is picking out a pair of casual cavalry twill slacks.

"They don't have country wear in the London store," he says. "So I asked them to make me what Prince Charles would wear on weekends, and they came up with these." Neimark wants those pants and he wants them now. The cuffs will be shortened and ready right after lunch — and not just because he is the boss. This is his dream: the class of English tailoring without its fustiness; the same punctilious service, but in the fast lane.

"Usually buying men's clothes is like ordering furniture — you have to wait so long," he says. "For a merchant, it is fun to realize your own ambitions of how you want the customer treated."

On the top floor are the high fashion designers — Armani, of course, Hugo Boss, Paul Smith. But there are also Mizrahi and Miyake; Gaultier and Go Silk; Dolce & Gabbana and Gianfranco Ferré.

These designer names were previously in the men's department at Bergdorf's. What is new for the store is the traditional clothing, and it is hard not to see the concept as a mirror held up to Neimark's own world. His "neighborhood store" is designed for his friends — like Leonard Lauder, who looked for hiking shoes among the John Lobb custom-made leathers, and will be getting them. Neimark checks out which of his friends have been in, who has looked after them and what they have bought. He expects to build for his men's store $40 million worth of business.

WILL it work? Men's fashion, even at the sharp end, is less susceptible to style vagaries than women's wear. It is also predicated on those traditions of quality and service that retailers are just now rediscovering. Yet there is a recession on here.

Bergdorf's strength may be its site. Its high fashion competitor is Barneys, on Seventh Avenue much closer to the financial district, and with a clear vision of its modern-minded target customer. Uptown, the Italian menswear company Ermenegildo Zegna has just opened a town-house store on the same block as Bergdorf; Louis, Boston is round the corner on 57th Street, along with Hermès. Together, they may create a cluster of menswear retailers that reinforce an image of upscale elegance.

"Images of Man" is the subject of an exhibition of Giorgio Armani photographs on display at the Fashion Institute of Technology until January. Armani can be credited with molding modern menswear, sculpting his suits on soft lines and in putty colors, to create a contemporary image between the stuffed shirt and the scruff.

Harold Koda and Richard Martin, FIT's curators, see the Italian designer's work over 15 years from 1975 as making "the definitive statement of men's clothing in our time," in its textile research, its search for comfort and its equilibrium between leisure and business.

The photographs by Aldo Fallai show this quiet revolution from the pallid, unstructured suit of summer 1977, through the sharp shoulder line created in 1979 and the sleek sportswear created in 1980 for the film "American Gigolo," when Richard Gere founded a cult by laying out his Armani shirts on the bed.

A decade on, the sack suit in soft crepe has taken the stuffing out of the yuppie suit. But the evolution is accomplished so gradually that the photographs at FIT look like stills from one continuous movie.

Armani, who does $125 million a year in menswear in America, is the contemporary exponent of Bergdorf's oh-so-British philosophy that men's clothes should have a quiet understated luxury, a lived-in look — and should never frighten the horses.

Crossing Rodeo Drive With Disneyland

By Paul Goldberger
New York Times Service

BEVERLY HILLS, California — If Judith Krantz had designed Disneyland, it would have turned out like Two Rodeo Drive.

Whatever else can be said about this super-upscale shopping mall, whose first stores opened last month, it is surely the ultimate synthesis of the major Southern California fantasies: Disneyland crossed with Rodeo Drive.

This place is not really a mall at all; it is more a kind of theme park for rich adults, a grown-ups' version of Disneyland's Main Street in which the attraction is not fake Victorian buildings filled with souvenir shops but architecturally ambitious stone and brick facades housing expensive and status-y boutiques.

The first impulse is to dismiss this $200 million shopping complex as nothing more than the hopelessly silly expression of Beverly Hills hedonism. Well, it is the hopelessly silly expression of Beverly Hills hedonism, but it is also quite a lot else. And the more time you spend walking around it, the more seriously you begin to take it, both as a work of design in itself and as the manifestation of certain ideas that tell us a great deal about Los Angeles's yearnings.

THE basic concept came from the prime developer, Douglas L. Stitzel of San Francisco, who envisioned filling this trapezoidal site with a huge structure that would look to the pedestrian not like a single building but like a pair of streets lined with shops.

Stitzel and the architects, Kaplan McLaughlin Diaz of San Francisco and Brand & Allen of Houston, have come up with a series of shop fronts that meander through architectural history, with brief stops in classicism and the Beaux-Arts, a quick detour to a kind of Mediterranean architecture, and then a long, lingering stay in the Art Moderne of the 1920s and '30s.

That style, a kind of stripped-down, simplified classicism enlivened by Art Deco touches, yields a section of the complex for Tiffany & Co. that is a knockoff of Tiffany's great limestone store on Fifth Avenue in New York, this version contorted to meet the unusual angle of the site.

If the concept of the place seems disingenuous, the reality is not. Two Rodeo is hardly innocent — it is knowing and calculated in its manipulation of architectural sentiment — but it does it so well that you are willingly swept up into its game. This is a place to wallow in, whatever your views of consumerism and the culture of Beverly Hills.

The overall layout is ingenious. Stitzel realized, as all retail developers do, that the money in retail projects lay in ground-floor space. Stitzel's economic and architectural solution was elegantly simple — to contort his retail complex into a structure that would have two separate ground floors.

THE first ground floor is on Rodeo Drive itself, in a row of storefronts that looks essentially like any row of elegant, older retail buildings on Madison Avenue in New York.

The gimmick is in what is behind these storefronts, a new, curving street, called Via Rodeo, that slopes upward so that the ground floors of its buildings are actually the second floors of the buildings facing Rodeo Drive.

Via Rodeo, which is paved with stone and lined with ornate, old-fashioned lamps, is a full story above Rodeo Drive. It begins as a gentle slope at one end of the project; at the other end, it descends to Wilshire Boulevard in the form of a grand marble staircase flanked by a fountain.

Is this Beverly Hills pretending to be Italy? Of course it is. For all its existence Beverly Hills has pretended to be someplace else.

That is why it feels like Beverly Hills: Because this place is trying so hard to feel like somewhere else, we know we are really in Southern California.

But this aspiring slice of Rome, mixed with a hint of New Bond Street, the Rue du Faubourg St.-Honore and Madison Avenue — not to mention a whiff of the Belgian Village from the 1964 New York World's Fair — is so exuberant and so earnest in its fakery that, if it seems cynical in concept, it comes off as endearing in actuality.

Two Rodeo Drive is an exercise in make-believe — a private realm, like Disneyland, in which everything can be made seductively perfect.

Twenty-five years ago, in a remarkable essay entitled "You Have to Pay for the Public Life," the architect Charles Moore observed that Disneyland, though a private place, was the ultimate piece of public architecture in Southern California, since it was the one place in that land of freeways and detached houses in which it was possible to have a conventional urban experience.

The same can surely be said of the Two Rodeo Drive complex: For all its falseness, it represents a yearning for urbanity, a desire to make a place that, however suburban it may be in reality, at least feels like a city.

ACROSS

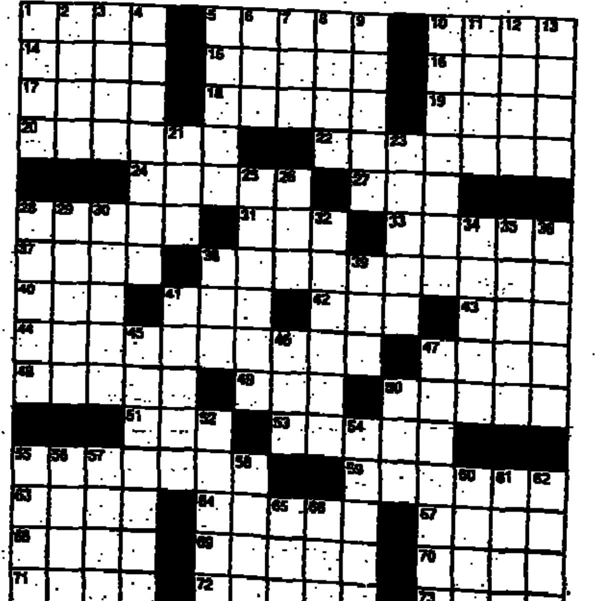
1 Weep loudly
5 Teems
10 Challenge
14 Coin of Calabria
15 —— Downs (Derby site)
16 Euphemistic oath
17 German river
18 Make amends
19 Repair
20 Peril
22 Hypersensitivity to pollen, e.g.
24 Psychologist Havelock ——
27 Rocky hill
28 One of the Brontës
31 A Prot.
33 Bacon skins
37 Numerous
38 Embezzlement
40 Historic period
41 Gob
42 Dowel
43 Refrain part
44 Not versed in rhyme (anagram of 38 Across)
47 Harvest
48 Scheme
49 Small island
50 Sea swallows
51 Golf mound
53 Find and correct defects
55 Balcony (anagram of 22 Across)
59 Departs
63 African lily
64 Rhett Butler's portrayer
67 Spring period
68 Remainder
69 Margarines
70 Home of songdom
71 Wagers
72 Portable shelters
73 River in France

DOWN

1 Felt grief
2 Verdi heroine
3 Small songbird
4 Mainly (anagram of 22 Across)
5 Bailey of songdom
6 Choose
7 Org. for G.I.'s
8 Author Jaffe
9 Food fish
10 Mark against a student
11 Ripening agent
12 Tolled
13 Whirlpool
21 Ron ——, Tarzan portrayer
23 Navigation system
25 Spain and Portugal
26 Pouch
28 Ostrichlike birds
29 River in NE France
30 Lacking skill
32 Reach a certain stage, as an ant
34 Saltpeter
35 Ann ——, of TV's "Longstreet" series
36 Breaks sharply
38 Tap gently
39 —— Abner
41 Cone-shaped dwelling
45 Openings
46 Spanish hero, with "El"
47 Kingly (anagram of 22 Across)
50 Third day of the wk.
52 Rye disease
54 Glorify
55 Clothing
56 Toward shelter, at sea
57 Came in last
58 University in Conn.
60 Victory letters
61 Nine: Comb. form
62 Headliner
65 Poet Jonson
66 Building site

Solution to Previous Puzzle

B	A	N	D	S	■	G	A	S	P	■	S	P	A	R
E	L	I	O	T	■	A	S	T	A	■	E	R	I	E
T	O	N	G	U	E	T	I	E	D	■	M	I	R	E
S	E	A	M	A	N	■	■	A	R	R	I	V	E	S
■	■	■	A	R	T	■	K	L	E	E	■	A	D	E
O	F	F	■	T	R	U	E	■	S	A	L	T	■	■
A	L	A	S	■	A	P	E	S	■	C	E	E	S	■
K	I	C	K	U	P	O	N	E	S	H	E	E	L	S
■	P	E	E	K	■	N	E	A	T	■	R	Y	E	S
■	■	T	W	A	S	■	S	L	E	D	■	E	W	E
A	P	O	■	S	T	A	T	■	A	R	M	■	■	■
F	I	F	T	E	E	N	■	■	D	E	A	L	E	R
T	E	A	R	■	W	I	N	B	Y	A	N	O	S	E
E	C	C	E	■	E	L	I	A	■	D	I	A	N	A
R	E	E	K	■	D	E	B	T	■	S	A	F	E	R



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هكذا من الأصل

WHO FROM A IS IN EVERYTHING
AEROSPACE, BIOTECHNOLOGY, CARS, DIESEL ENGINES, ELECTRONICS, FORKLIFTS, GARMENTS, HELICOPTERS, INDUSTRIAL ROBOTS, JET PARTS, KEYBOARDS, LASER-CUTTING MACHINES, MICROCHIPS, NEGOTIABLE BONDS, OPTICAL FIBERS, PESTICIDES, QUALITY CONTROL
TO Z? THAT'S WHO!
ROAD CONSTRUCTION, SHIPBUILDING, TELECOMMUNICATIONS, URANIUM DEVELOPMENT, VALVES, WORLDWIDE NETWORK, X-CAVATORS, YARN & YACHTS, ZERO-DEFECT EFFORTS
DAEWOO

International Herald Tribune

BUSINESS/FINANCE

** TUESDAY, NOVEMBER 13, 1990

INTERNATIONAL STOCKS

Taiwan Hoping to Draw Foreigners Into Market

By Sheryl WuDunn
New York Times Service

TAIPEI — At one time, the stock market here seemed to have no top, soaring ever higher and trading more shares than either the New York or Tokyo markets. Foreigners longed for a chance to join in the gains. Now certain foreign investors will get a chance to play the Taiwan market, one of the largest in Asia.

They may no longer be as interested, however. Taiwan's economy has deteriorated and the stock market index has fallen 80 percent from its peak in February. Trading has been listless.

But with stock prices depressed, securities officials say now is an ideal time to raise the standards of the market and give it an international base by bringing in foreign institutional investors.

"We want to improve the structure of the market," said C. P. Chang, chairman of Taiwan's Securities and Exchange Commission. "We don't want to rely on foreigners to help support the market. We want them to help us change the market structure."

The market has been viewed as something of a gambling den.

The government's executive branch is about to review a proposal to allow foreign institutions, such as insurance and investment-management companies, to invest an aggregate of $2.5 billion in securities markets in Taiwan. Investing may be allowed by early next year.

Foreigners can now invest in the market only through funds listed on other exchanges, like the ROC Taiwan Fund or the Taiwan Fund listed on the New York Stock Exchange.

Taiwan's stock market has always been viewed as something of a gambling den, and there is a standard quip that ROC should stand not for Republic of China but for Republic of Casino.

The wild gyrations in the market did not deter many people from investing in stocks. In fact, investing became so profitable that some workers quit their jobs to devote all their time to the market. When the market dipped three years ago after a transaction tax was placed on each trade, investors staged protests in the streets, demanding that the government compensate them.

THIS YEAR, investors have been sobered by a market in which the index climbed 4,000 points in three months, to a closing high of 12,424.53 on Feb. 12, and then dropped to around 5,000 in June.

After the Middle East crisis, the index tumbled to a record low of 2,485.25 in trading on Oct. 12, before rising again. On Friday, the index eased just over 80 points to close at 3,472.53. The market was closed Monday for a holiday.

Some people say the plunge may help the stock market in the long run by getting investors to start looking at fundamentals.

Taiwan has one of the world's most computerized stock exchanges. It was able, for example, to execute trades of 2.1 billion shares in three hours on June 1. By comparison, daily volume on the New York Stock Exchange is typically about 150 million to 200 million shares, traded in more than twice that time period.

To some extent, this computerization has contributed to the market's volatility, making it possible for the index to move far and fast. But securities officials say there were economic reasons for the climb and fall.

"The fact that the market here rose to 12,000 wasn't just because we had too much gambling spirit," said Chao Hsiao-feng, president of Taiwan Stock Exchange Corp. "Our economic situation was unusually good and our reserves high. Under these conditions, the stock market had to rise."

Officials argue that Taiwan's economic boom, its strong trade surplus, and foreign reserves helped drive the market up. Because of limits on money leaving the country, much wealth has been poured into the stock market.

But dramatic changes in Taiwan have contributed to the market's volatility. The economy started deteriorating this year in part because of the slowdown in the United States, Taiwan's largest trading partner, and in part because the government

See TAIWAN, Page 19

CURRENCY RATES

Cross Rates

Nov. 12

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.6685	3.28	1.1281	0.3358	0.15 *	—	5.472 *	1.3378	1.297 *	1.4325	1.785 *
Brussels	30.50	60.00	20.619	6.125	2.7384 *	18.280	—	24.4575	0.2372	26.145	32.618*
Frankfurt	1.4793	2.909	—	0.2976	0.1329 *	0.8866	4.851 *	1.1661	1.1585 *	1.2678	1.582 *
London (a)	1.965	—	2.9068	9.7623	2,186.00	3.2738	59.94	2.4525	251.09	2.2885	183.76
Madrid	93.63	183.95	63.275	18.825	8.405 *	56.095	3.0691	74.99	72.725 *	80.15	—
Milan	1,113.95	2,189.55	753.76	224.80	—	667.45	36.519	892.92	8.659	954.00	11.909
New York (b)	—	1.9635 a	1.479	4.97	1,113.00	1.6685	30.475	1.279	128.55	1.1664	N.A.
Paris	4.975	9.772	3.3607	—	0.4464 *	2.9791	0.163	3.9052	3.8651 *	4.282	5.3135*
Tokyo						Closed					
Toronto						Closed					
Zurich	1.2585	2.4547	0.8438	0.2513	0.1122 *	0.7482	4.0947 *	—	0.9688 *	1.0725	1.3367*
1 ECU	1.3876	0.7056	2.0534	6.8957	1,545.18	2.3151	42.2081	1.731	178.515	1.618	129.755
1 SDR	1.4489	0.737	N.Q.	7.2083	1,613.97	2.4174	44.1982	1.846	N.Q.	1.6873	135.457

Closings in London and Zurich, fixings in other centers; New York closing rates.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5223.0	Greek drac.	151.50	Mex. peso	2923.00	S. Afr. rand	2.5245
Austral. $	1.282	Hong Kong $	7.797	N. Zealand $	1.6367	Soviet ruble*	0.5517
Austr. schil.	10.47	Indian rupee	18.140	Norw. krone	5.80	Swed. krona	5.5645
Brazil cruz.	109.60	Indo. rupiah	1845.02	Phil. peso	27.30	Taiwan $	26.77
Chinese yuan*	4.72	Irish £	0.5523	Port. escudo	130.25	Thai baht	25.00
Danish krone	5.692	Israeli shek.	1.99	Saudi riyal	3.75	Turkish lira	2737.00
Egypt. pound	2.8135	Kuwaiti dinar	n.a.	Sing. $	1.7075	UAE dirham	3.6727
Fin. markka	3.539	Malay. ring.	2.6985	S. Kor. won	715.20	Venez. boliv.	50.00

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.9556	1.9468	1.9387	Canadian dollar	1.1717	1.1756	1.1790
Deutsche mark	1.4864	1.4852	1.4840	Japanese yen	129.64	129.61	129.58
Swiss franc	1.2487	1.2483	1.2479				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Nov. 12

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	7 7/8-8	8 1/4-8 3/8	8 1/2-8 3/4	14-14 1/8	9 9/16-9 3/4	8 1/16-8 3/16	9 9/16-9 11/16	8 3/4
2 months	8 1/16-8 3/16	8 1/4-8 3/8	8 3/8-8 1/2	14-14 1/8	9 7/8-10 1/16	8 1/16-8 3/16	9 15/16-10 1/16	8 13/16
3 months	8-8 1/8	8 5/16-8 7/16	8 3/8-8 1/2	13 13/16-13 15/16	9 15/16-10 1/16	8 1/4-8 3/8	9 15/16-10 1/16	8 13/16
6 months	7 15/16-8 1/16	8 15/16-9 1/16	8 3/8-8 1/2	13 9/16-13 11/16	10-10 1/8	8 3/8-8 1/2	10-10 1/8	8 7/8
1 year	7 15/16-8 1/16	9 1/8-9 1/4	8 1/4-8 3/8	12 9/16-12 11/16	10 1/4-10 3/8	8 3/8-8 1/2	10 1/8-10 1/4	9

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Nov. 12

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	Clsd.	7 11/16
Com paper 90-179 days	—	7.50
3-month Treasury bills	—	7.05
6-month Treasury bills	—	7.02
1-year Treasury bills	—	6.85
30-year Treasury bond	—	8.63
2-month CD's	—	7.75
3-month CD's	—	7.75
Japan		
Discount rate	6.00	6.00
Call money	Clsd.	7 29/32
1-month interbank	—	N.A.
3-month interbank	—	8 3/16
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.50	8.50
Call money	8.20	8.20
1-month interbank	8.30	8.30
3-month interbank	8.75	8.75
6-month interbank	8.90	8.90
Britain		
Bank base rate	14.00	14.00
Call money	14 1/8	14 1/8
3-month interbank	13 13/16	13 13/16
6-month interbank	13 3/4	13 5/16
France		
Intervention rate	9 1/4	9 1/4
Call money	9 5/8	9 5/8
1-month interbank	9 3/4	9 5/8
3-month interbank	9 15/16	9 7/8
6-month interbank	10 1/16	10.00

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits

Nov. 12

1 month	7 15/16 - 8 1/16
2 months	8 1/8 - 8 1/4
3 months	8 1/16 - 8 3/16
6 months	8 - 8 1/8
1 year	8 - 8 1/8

Source: Reuters.

U.S. Money Market Funds

Nov. 9

Merrill Lynch Ready Assets
30-day average yield: 7.53
Telerate Interest Rate Index: 7.485
Source: Merrill Lynch, Telerate.

GOLD

Nov. 12

	A.M.	P.M.	Ch'ge
Hong Kong	383.05	382.85	— 2.10
Luxembourg	382.50	—	— 2.65
Paris (12.5 kilo)	384.68	384.49	— 4.73
Zurich	382.85	381.25	— 4.75
London	381.90	380.70	— 5.00
New York	—	382.00	— 2.75

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Racal Electronics Splits Units in Move Tied to Takeover Fears

By Leigh Bruce
International Herald Tribune

LONDON — Racal Electronics PLC, the defense and electronics group, surprised the market Monday by announcing it would demerge its telecommunications and securities units and recommend a management buyout of the remaining activities.

According to analysts, the move may have been provoked by the company's fears of a hostile takeover bid. They added that shareholders could be big winners in the deal because the nontelecommunications and security businesses of the group were highly undervalued.

They said the Racal decision is part of the continuing restructuring of the British electronics industry and customer base since the market was first subjected to global competition in the early 1980s.

Under the plan, the group will split into three parts. Its 80 percent share of Racal Telecom PLC — which had sales in 1989 of £406 million ($798 million) and pretax profit of £165 million — will be distributed to shareholders. The company is an industry leader in mobile communications.

Racal Chubb Security Group is to be transformed into a limited company whose stock also will be distributed to shareholders. Chubb, which specializes in physical and electronic security, had 1989 operating profit of £46 million on revenue of £627 million.

The remaining electronics businesses, which had sales last year of £941 million, are to be bought by management.

Racal Electronics shares rose 38 pence Monday before falling back to close at 183 pence, up 19. Shares in Racal Telecom gained 12 pence before finishing five pence higher at 259.

Mike Styles of Smith New Court said the market's enthusiasm had cooled because "so much remains unknown, like where the £350 million debt will end up, what the tax position will be, and other important details."

The Racal board said it was disappointed the company's share price "had consistently failed to reflect the full value of its 80 percent shareholding in Racal Telecom." It added that "at times it has appeared that traditional Racal companies and the Racal Chubb Security Group have had a negative valuation."

Bruce McInroy of Hoare Govett said Racal Electronics' share price had valued the group's nontelecommunications businesses at only 10 pence a share, or £100 million to £150 million, compared with market estimates of £500 million to £600 million.

Jim Ross of James Capel & Co. said shareholders would come out of the restructuring holding stakes in profitable telecommunications and security businesses as well as cash from the management buyout.

"This should be a very good deal for them," he said.

But he warned that the outlook could be altered once the terms of the changes became known.

Although the exact terms of the deal and the valuation of business to be bought out had yet to be determined, analysts said the restructuring could be worth as much a 200 pence a share to investors.

They added that, on its own, Racal Telecom could become more vulnerable to a takeover attempt, which could further benefit shareholders as the process of consolidation in the industry continues.

"The government would have to allow its license to be transferred, but it has not demonstrated any particular reluctance to allow foreigners to become involved in the past," Mr. Styles said.

Mr. McInroy added, "The whole industry has had to adjust to the withdrawal of reliable support from British Telecom purchases after it was privatized and to greater competition for Ministry of Defense contracts."

Oil Drops As War Fear Recedes

Compiled by Our Staff From Dispatches

NEW YORK — Oil prices fell more than $2 a barrel here Monday as fears of an imminent war in the Gulf receded.

Light sweet crude for December delivery dropped $2.02 a barrel to $31.87 on the New York Mercantile Exchange. Earlier, in London, Brent crude fell to $32.67 for December delivery, from $34.40.

"It's de-escalation of the war premium, the prospect that war might be delayed," said Ann-Louise Hittle, a senior oil analyst with Shearson Lehman Brothers Inc.

Traders said war with Iraq did not seem as likely in the near future because news coverage has indicated that President George Bush is not fully backed either in the United States or abroad as he contemplates the use of force to get Iraqi troops out of oil-rich Kuwait.

"A lot of people are feeling it's not so close, so they're liquidating," said Christian Gohler, a broker with Merrill Lynch Energy Futures.

In New York, contracts for delivery of crude in later months were falling in trading that seemed a bit lighter than usual because of the Veterans Day holiday.

A dealer with Kleinwort Benson in London said: "The market is adequately supplied with crude oil. The market is affected by sentiment more than by fundamentals."

Statistics from the Middle East Economic Review on Monday showed that the Organization of Petroleum Exporting Countries pumped 22.66 million barrels a day in October, compared with 22.68 million in September, above the 22.5 million barrels a day ceiling adopted by the organization to compensate for the embargo against Iraq and Kuwait. *(AFP, AP)*

Short-Term Rate Seen Easing

Recession Worries Will Drive U.S. Policy, Analysts Say

By Kenneth N. Gilpin
New York Times Service

NEW YORK — U.S. credit market analysts say they expect the Federal Reserve's Open Market Committee to approve another reduction in a key short-term interest rate when the policy-making group meets in Washington on Tuesday.

Deep-seated concern about inflationary pressures is likely to prompt at least two committee members, F. Lee Hoskins, president of the Federal Reserve Bank of Cleveland, and Wayne D. Angell, a governor of the Fed, to oppose the move.

But analysts say mounting evidence that the economy may have slipped into a recession will probably sway the majority to approve a cut in the overnight federal funds rate to 7.5 percent, from its current 7.75 percent target rate.

Anticipation of the committee's move contributed to strong gains Monday in Wall Street stock prices (Page 14).

"I would be very surprised if the Fed didn't ease," said Donald J. Fine, chief market analyst at Chase Manhattan Bank. "We are in the early stages of a recession, one whose mildness or severity is still in question. And the lack of economic activity will help to fight inflation."

A cut in the funds rate would be the second in less than a month. Responding to a federal budget package that earmarks close to $500 billion in savings over the next five years, the Fed lowered the funds rate in late October by 25 basis points.

Although they would welcome it, another quarter-point cut in the rate would come as no surprise to market participants.

Commercial bankers said last week that a cut of that size would probably not be large enough to prompt banks to lower their prime lending rate, which has stood at 10 percent since early January.

But if history is a guide, a drop in the funds rate to 7.5 percent should lead to a cut in the prime rate. In the past, banks have tended to lower their most visible rate when the gap between the prime and their own cost of funds is about two percentage points.

If history is a guide, a drop in the funds rate to 7.5 percent should lead to a cut in the prime rate.

Cynthia Latta, a senior financial economist at DRI McGraw-Hill, the economic forecasting firm, says the spread between the two rates is unusually wide.

Using a weighted average cost of funds that includes three-month Eurodollar rates, three-month certificate of deposit rates and federal funds, Ms. Latta said the spread between those costs and the prime is now 225 basis points. Normally, the spread is about 175 basis points.

Bankers acknowledge that the differential is wider than normal. But they add that financial problems within the banking system are abnormal and so warrant the wider spread.

"In general, I don't think you will see the banks react favorably," to a quarter-point cut in the funds rate, said Alan C. Lerner, a managing director at Bankers Trust Co. "In normal times it might be enough to get the prime down. But right now the banks want to build back profit margins."

Mr. Lerner and others said a move by the Fed to cut the funds rate to 7.25 percent, either all at once or in two separate moves, would almost certainly lead to a cut in the prime rate to 9.5 percent.

"If you wanted to get a quick and dramatic reduction in the prime, you would have to cut the funds rate by 50 basis points," a banker said.

Confidence that the Fed will move soon to ease credit conditions was a driving force behind the drop in short- and long-term interest rates last week.

By late Friday, yields on 7.75 percent two-year notes, a good proxy of market expectations about the Fed's intentions, had fallen to 7.59 percent.

Bond yields, more sensitive to longer-term economic fundamentals, stood at just over 8.60 percent late last week, down from 8.69 percent on Nov. 2.

A drop in the prime would make money more affordable for a wide range of businesses and consumers who have loans that are based on movements in the prime. But economists said that in the current climate a half-point cut would probably not noticeably increase loan demand, or the willingness of banks to lend.

Analysts expect that retail sales, due Wednesday, and industrial production figures, due Tuesday, will provide further evidence that the economy weakened considerably in October.

Doubts Arise Over TWA Bid For Pan Am

Compiled by Our Staff From Dispatches

NEW YORK — Trans World Airlines Inc.'s offer to merge with Pan Am Corp. raises questions over troubled Pan Am's immediate future, but analysts said Monday that they doubted the deal would fly.

They also said it was not clear whether the proposal was a serious bid for Pan Am, which has been reeling from financial problems for several years, or merely an attempt by Carl C. Icahn, the financier and chairman of TWA, to intercept the planned sale of Pan Am's valuable London routes to UAL Corp., the parent of United Airlines. That sale is scheduled to close Wednesday.

Although the last-minute TWA bid is probably sweeter for Pan Am shareholders than UAL's $400 million offer for the Atlantic routes, TWA is unlikely to succeed, analysts said.

"As far as I can see, it's sort of hazy at the moment," said Thomas Canning, at Standard & Poor's. "We've got to wait for the reaction from Pan Am. For their fiduciary duties, they have to consider it."

Pan Am said that the UAL deal was its current "focus." A company spokeswoman, Pamela Hanlon, said that the UAL deal did not preclude any other party from making a takeover bid for Pan Am.

But the airline refused to comment on the merits or status of TWA's offer, which consists of $1 a share cash and $2 a share in face value of preferred stock or promissory notes. Analysts put the market value of the deal much below the $450 million face value, estimating the offer's worth at closer to $300 million.

Ms. Hanlon said TWA's proposal is contingent upon the cancellation of Pan Am's pact with UAL.

TWA also stipulated that Pan Am and TWA would have to sell overlapping international routes when the Pan Am buyout was completed, she said.

But even if no serious merger talks are held, the publicity surrounding Mr. Icahn's offer has probably helped both airlines, said one analyst, who speculated that Mr. Icahn may have other motives.

"What you see isn't what you get with this guy," said Kevin Murphy, of Morgan Stanley.

"If he can prevent United Airlines from going into London, that would prevent a more formidable carrier from going into Heathrow," Mr. Murphy said.

TWA and Pan Am are the only two U.S. airlines flying to Heathrow Airport in London. The routes Pan Am has agreed to sell United would be among the duplications that would have to be sold for the buyout to go through.

American Airlines sought last month to block the Pan Am-UAL deal.

Analysts said the proposed deal with TWA faces obstacles, including the need for approval from both U.S. and U.K. authorities.

Warning that Pan Am could run out of cash before such approval is obtained, Standard & Poor's on Monday said the outlook on all the securities of TWA and Pan Am is negative. *(AP, NYT, LAT)*

A Way East for Small Firms

Barter Yields Soviet Services for Software Company

By Lawrence Malkin
International Herald Tribune

NEW YORK — The almost 300 million Soviet consumers, hungry for any kind of Western goods, are a natural market for huge multinational companies. But how can small companies penetrate special niches ranging from computer software to thermal underwear?

Ultimate Corp., a computer firm based in East Hanover, New Jersey, asked itself that question three years ago when it realized that its main product was ideal for Soviet users: A package of software and data bases designed for small businesses like plumbing or electrical contractors, who have to handle inventory, payroll, billing and other operations without outside help.

The company now earns about $3 million of its annual revenue of $200 million in the Soviet Union. "We can never handle the whole market there and don't want it. We would be happy with 1 percent of it," explained Geoff Bowerman, head of Ultimate's European operations.

In addition to being content to fill a niche, Ultimate officials say the other essentials are good contacts, the patience to establish long-term relationships and willingness to take profits in barter through a middleman. In their case it is the long-established U.S. company, Atwood-Richards, which has expanded its traditional business of selling off unwanted inventory outside a company's traditional markets into Eastern Europe.

Just back from a trip to Moscow, Michael J. O'Donnell, Ultimate's president, said, "The joint-venture craze does not make sense for a small company. It's a long row to hoe for an investment that may not show a real return for years. We may have to limit exponential growth, but we are a lot more sure of getting to the next plateau, and getting our money as we do it."

At the start, it helped that the Soviet government had set aside hard currency to import computers and software, and that the Institute for Control Sciences was already looking for business applications. Ultimate also had a European base, which is virtually essential, according to Mr. Bowerman, an Englishman who says that Europeans understand Russians better than Americans do.

He made his first contacts through Ultimate's French subsidiary with the help of Bull SA, the state-owned French computer firm, with which Ultimate had done business.

A foreign introduction is no longer necessary, Mr. Bowerman said, but a Moscow agent is. "You still have to get someone to represent you, bring the boss over, and make a long-term commitment," he said.

In Moscow, the Institute for Control Sciences translated the Ultimate package into Russian and helped promote it to chemical, transport, energy and other large state industries that had hard-currency earnings to spend on computerization.

Expansion to other industries and emerging small companies without access to foreign exchange means that Ultimate will have to accept Soviet products instead of cash. These range from wood, watches and heavy machinery — all the way to human cadavers and even parts of them such as livers.

That is where countertrade companies, which usually take a commission on deals of 7 to 15 percent, come in.

Atwood Richards's president, Moreton Binn, provided Ultimate with what he calls "Atwood currency," which means credits to buy from his huge inventory. Instead of matching buyers and sellers, the trading company takes title to the goods even though they remain in the sellers' warehouses. Atwood markets them on speculation.

The credits are good for services like hotels, air fares, freight, advertising and other staples that companies would buy anyway. This is what Ultimate has been settling in so far. Mr. Binn once settled his accounts with USX by offering the steel conglomerate a carload of computer paper.

Mr. Binn, a compulsive trader, draws the line at dealing in cadavers. His Park Avenue office is adorned by a Red Army cap he traded for a cigarette lighter with a Russian soldier in Berlin. (The soldier bargained for his watch, but Mr. Binn would trade that only for the entire uniform.)

About 20 percent of Atwood's trade now is with Eastern Europe, and is the fastest-growing part of its business. A slowdown among Western producers and the insatiable appetite for their food and branded goods in the East make a dynamite combination.

Atwood has shipped live poultry from a major U.S. company to Russia and sold $60 Adidas sneakers in Poland for $12 to $16 a pair. A German tire company, not permitted to sell retreads in its home territory, turned them over to Atwood for sale in Eastern Europe.

Mr. Binn also deals in surplus capacity. Applying the same principle to Eastern Europe, Czech glass and textile factories are turning out quality goods under contract for New York's best department stores; a Czech linen towel sold to Atwood for 28 cents could retail for up to 10 times that in New York.

Like Ultimate, his Western suppliers can spare neither the money nor the time to set up their own networks in what will be a secondary market for a long time, but they also do not want to miss the new sales opportunities in the East. The Atwood networks are headed by well connected local agents who speak English; his man in Moscow is the grandson of the Soviet politician Anastas I. Mikoyan.

Mr. Binn can think of no better fit than a recent sale on behalf of Damart, one of Europe's largest manufacturers of thermal underwear, whose slogan is "Moi, froid? Jamais," which means "Me cold? never."

With the Cold War yielding to more mundane problems of cold weather in Eastern Europe, Atwood did not even bother to translate the slogan and flew in eager buyers from Eastern European countries. He sold off the surplus long johns at one go for more than $1 million of trade credit to keep his barter business going strong.

GATT Settlement Foreseen

Compiled by Our Staff From Dispatches

BRUSSELS — The European Community's top agriculture official said Monday he believed that differences with the United States on farm subsidies could still be resolved before the end of the current round of world trade talks.

Ray MacSharry, European commissioner for agriculture, denied that the talks, being held in Geneva under the auspices of the General Agreement on Tariffs and Trade, were near a breakdown.

"I must contradict that," he announced at a news conference.

His comments were made the same day that the director-general of GATT, Arthur Dunkel, became the latest official to warn of crisis. Mr. Dunkel said the deadlock over farm trade jeopardized a planned ministerial meeting in Brussels next month to wind up four years of negotiations on world commerce.

"It is obvious that we are now in a very grave situation," the GATT official said.

Trade sources in Geneva said the talks had come to a standstill after complaints about the recent EC offer to cut subsidies to its farmers, as demanded by the United States.

But Mr. MacSharry said the talks had only been adjourned, mainly because of top-level EC-U.S. meetings this week, including one in Brussels for the chief GATT negotiators on both sides.

Meanwhile, about 2,000 French farmers blocked roads and dumped beef carcasses to protest the EC proposal to cut their subsidies, union leaders said.

The unrest marked a resurgence of discontent among French farmers, who rocked the government this summer with a series of violent protests, including the burning of British sheep.

Livestock farmers set up eight predawn checkpoints in western and central France, halting traffic on main roads, farm leaders said.

Protesters seized a truck near Bressuire in western France and dumped its nine tons of beef carcasses outside the local branch of the national farm bank.

Sounding a positive note, Mr. MacSharry said, "I'm confident the offers on overall annual reductions will prove to be similar."

He added that he believed there could still be a "successful outcome" if "some people" stopped "accusing the Community of being the sinners."

"We've all been supporting agriculture," he said.

The EC offer to slash farm subsidies, made just four weeks ahead of a GATT conference in Dec. 3-7, has drawn a cool response from its principal competitors, who have said the move is insufficient as a basis for further negotiation.

The conference aims at wrapping up four years of talks, known as the Uruguay Round, to liberalize world trade. The Community has been accused of bringing the process to the brink of failure by refusing to make deeper subsidy cuts.

Farm subsidies have been blamed for encouraging farmers in countries that can afford them to grow surplus food. This gets dumped on world markets, and is seen as hurting countries that cannot subsidize farming but depend heavily on it for export earnings.

The United States and the 14-member Cairns Group of farm exporting nations say export subsidies are the most trade-distorting type of support.

The Community has proposed to cut internal support by 30 percent over the decade between 1986 and 1996. *(Reuters, AFP)*

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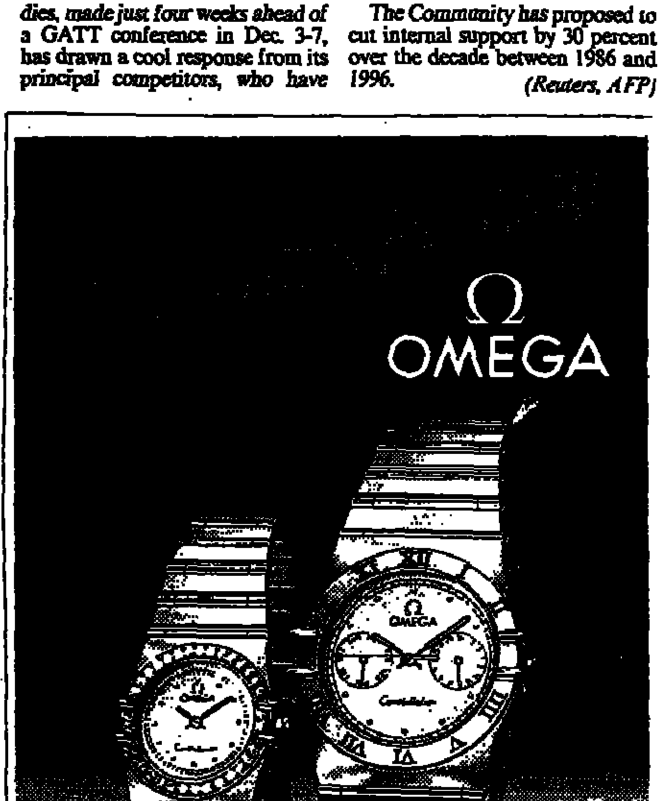

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MARKET DIARY

Share Prices Surge On Rate-Cut Hopes

United Press International

NEW YORK — Stock prices rallied Monday for the second day in a row, with an expected drop in interest rates adding excitement to what had been expected to be a quiet holiday session.

The Dow Jones industrial average, which surged 44.80 points Friday, bolted another 51.74 to close at 2,540.35.

N.Y. Stocks

Among broader market gauges, the New York Stock Exchange composite index jumped 2.90 to 174.07 and Standard & Poor's 500-stock index gained 5.74 to 329.48. The price of an average share surged 51 cents.

Advances thumped declines 11-3. Volume amounted to 161.3 million shares, up from the 145.1 million traded Friday.

Most observers expected Monday to be a slow day on Wall Street, due to the Veterans' Day holiday.

But the market was stirred up over the possibility of another interest rate cut from the Federal Reserve after a key Fed panel holds its regular policy meeting Tuesday.

"A rate cut is pretty much built into the market," said Jeff Kaminsky, head of institutional sales trading at Mabon, Nugent & Co. "But there are two ways of looking at it — one is that the Fed recognizes that the economy is weak, that we're in a recession and have to do something to rectify it.

"But from the way the market is responding, it seems that investors think that when the Fed eases, it will be enough to turn this into a small recession and make things better going into early 1991."

IBM was the most active issue, adding 2¾ to 113 after unveiling a portable version of its PS-2 personal computer.

American Express followed, rallying 2 to 21⅝. Fannie Mae was third, up 1½ to 32. BankAmerica also surged 1½ to 23¾ in active trading.

Pan Am climbed ¼ to 1⅞ after saying said it would pursue a route and asset sale to UAL Corp. despite a surprise offer by TWA to buy the whole of Pan Am for $450 million if the UAL deal falters. UAL, parent of United Airlines, surged 4⅝ to 100¼.

The Amex Market Value index rallied 3.75 to 294.78.

Dollar Fails to Recover From Slide in Europe

Reuters

NEW YORK — The dollar finished mostly lower on Monday in quiet trading as the United States observed Veterans Day, while in Europe it touched another record low against the Deutsche mark.

Speculation that the Federal Reserve Board would soon further ease a key short-term interest rate pressured the currency, traders said. Many players remained on the sidelines because of the holiday; the Tokyo market was closed for Emperor Akihito's enthronement.

Foreign Exchange

The dollar ended in New York at 1.4790 DM, down from 1.4871 on Friday, and at 128.55 yen, down from 129.81. The British pound finished at $1.9635, after $1.9660.

The U.S. currency rose to 1.2790 Swiss francs, from 1.2495, but slipped to 4.9700 French francs, from 4.9940.

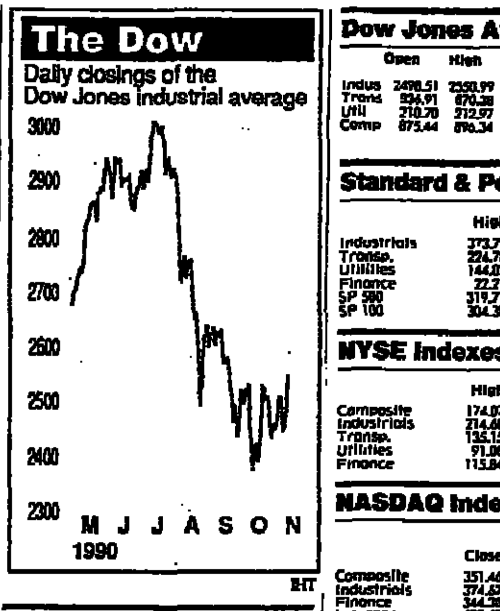
In European trading, the dollar fell to a new traded low of 1.4780 DM. Dealers said the dollar traded aimlessly for most of the day, clipping the new low as it drifted down. In afternoon trading it was at 1.4790 DM. The dollar closed on Friday at 1.4880 DM.

In London, the dollar was quoted at 128.75 yen, compared with 129.90.

The U.S. unit was quoted at 1.2485 Swiss francs, down from 1.2493, and at 4.9710 French francs, down from 5.1005.

The pound lost two pfennig to 2.9052 DM in mid-afternoon.

Via Associated Press Nov. 12



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
IBM	35420	113¾	110¾	113	+2¾
AmExp	28979	21¾	19⅞	21⅝	+2
FedNM	26368	32	31	31⅞	+1⅛
PanAm	23928	1⅞	1⅝	1⅞	+ ¼
PepsiC s	22078	25½	24¼	25	+ ⅝
BnkAm	21016	23¾	22¼	23¾	+1½
PhilMr	20203	49¾	48⅞	49⅝	+ ⅝
FNM wt	19690	17¼	16⅛	17	+1⅛
Citicorp	19241	13⅝	12⅞	13¼	+1
DukeP s	17841	30¾	30¼	30⅝	+ ¼
GenEl	17749	55½	54¼	55⅝	+1⅜
WalMt s	17009	29⅛	28⅝	28⅞	+ ¾
Boeing s	14569	46½	45	45¾	+ ⅝
ToyRU s	14394	22¾	21⅜	22¾	+1⅜
EKodak	12576	41¾	40¾	41½	+ ¾

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Hilhov n	9756	1⅝	1½	1⅝	
ENSCO	4641	2½	2¼	2⅜	
FruitL	3757	7¼	6⅝	7¼	+ ¼
Amdhl	3153	13⅛	12⅝	13	+ ⅜
ContAir	3069	3⅛	2⅞	2⅞	+ ¼
Atari	2217	2½	2¼	2⅜	+ ⅛
Dk Nk wt	1848	19⅝	18⅞	18⅞	— ⅝
Cablvsn	1805	12	10⅞	12	+1¼
SNK 193wt	1757	18¼	17⅜	17⅜	— ⅞
BAT In	1657	11	10⅝	11	+ ⅜
EchoBy	1632	11⅛	10⅞	10⅞	— ¼
MetMB s	1513	11¾	10¼	11¼	+1½
PW Nk pwt	1443	9⅛	8⅝	8⅝	— ¾
CornCr	1353	13⅞	13¼	13¾	+ ½
ResRcl	1328	5	4⅞	4⅞	— ⅛

NYSE Diary

	Close	Prev.
Advanced	1163	1123
Declined	385	453
Unchanged	429	428
Total Issues	1977	2004
New Highs	14	10
New Lows	38	65

Amex Diary

	Close	Prev.
Advanced	356	312
Declined	200	214
Unchanged	222	258
Total Issues	778	784
New Highs	7	2
New Lows	30	37

NASDAQ Diary

	Close	Prev.
Advanced	1,184	1,095
Declined	622	721
Unchanged	2,409	2,404
Total Issues	4,215	4,220

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2490.51	2550.99	2490.10	2540.35	+ 51.74
Trans	836.91	870.38	835.61	866.68	+ 31.29
Util	210.70	212.97	210.36	212.09	+ 1.77
Comp	875.44	896.34	873.10	892.59	+ 20.32

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	373.79	367.11	373.35	+6.24
Transp.	224.78	216.18	224.36	+8.01
Utilities	144.02	142.66	143.93	+1.21
Finance	22.71	21.19	22.21	+1.02
SP 500	319.77	313.73	319.48	+5.74
SP 100	304.38	298.64	304.09	+5.44

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	174.07	172.24	174.07	+2.90
Industrials	214.68	212.71	214.68	+3.33
Transp.	135.15	131.95	135.15	+4.69
Utilities	91.00	90.62	91.00	+0.82
Finance	115.84	113.19	115.84	+3.93

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	351.46	+ 9.51	340.76	329.54
Industrials	374.67	+ 9.59	363.92	349.22
Finance	344.38	+ 7.99	335.84	331.83
Insurance	420.43	+ 18.8	401.84	382.18
Utilities	489.46	+ 21.1	464.20	456.87
Banks	247.96	+ 5.16	240.83	243.12
Transp.	389.36	+ 9.60	387.19	367.12

AMEX Stock Index

High	Low	Close	Ch'ge
294.86	290.92	294.78	+ 3.75

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	89.59	+0.29
10 Utilities	91.59	+0.19
10 Industrials	87.60	+0.39

Market Sales

NYSE 4 p.m. volume	161,390,000
NYSE prev. cons. close	181,413,460
Amex 4 p.m. volume	10,380,000
Amex prev. cons. close	12,263,000
NASDAQ 4 p.m. volume	119,297,400
NASDAQ prev. 4 p.m. volume	113,555,000
NYSE volume up	132,108,970
NYSE volume down	17,282,130
Amex volume up	5,262,560
Amex volume down	2,754,060
NASDAQ volume up	86,503,600
NASDAQ volume down	15,186,406

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
Nov. 9	494,792	470,824	8,300
Nov. 8	380,724	467,504	21,933
Nov. 7	330,750	986,059	102,443
Nov. 6	335,684	501,434	22,554
Nov. 5	317,870	608,014	37,116

*Included in the sales figures

S&P 100 Index Options

Nov. 12

Strike Price	Calls-Last Nov	Dec	Jan	Feb	Puts-Last Nov	Dec	Jan	Feb
265	40	—	42⅝	—	⅛	1⅛	3¼	—
270	—	36⅛	—	39	⅛	1⅝	4	6¼
275	29¾	31½	—	—	⅜	2⅜	4⅝	—
280	24½	28½	31	—	¼	2⅞	5⅝	7⅝
285	19⅞	23½	—	—	⅜	3⅝	6⅝	—
290	14⅝	19½	23⅝	—	⅝	4⅝	8	11
295	9⅝	15⅝	19⅝	—	1⅛	5⅝	9⅝	—
300	5⅝	12	16½	17⅜	2⅛	7⅝	10⅝	14
305	2⅞	9⅝	13⅜	—	4	9⅛	12½	—
310	1⅛	6⅝	10⅝	12½	7⅝	11⅝	14½	18⅛
315	⅜	4½	7½	—	11⅝	14	17⅜	—
320	⅛	2⅝	5⅝	—	17	19	21	—
325	⅛	1½	—	—	—	23⅝	—	—
330	⅛	⅝	—	—	—	30	—	—
335	—	⅛	—	—	35⅛	—	—	—
340	—	⅛	—	—	—	—	—	—
350	—	⅛	—	—	—	—	—	—

Calls: total vol. 185,425; total open int. 498,751
Puts: total vol. 156,258; total open int. 488,336
Source: CBOE.

European Commodities

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
LONDON SUGAR U.S. Dollars per metric ton						
Dec	227.00	235.00	232.00	232.00	227.00	234.00
Mar	226.20	226.40	228.00	224.00	225.80	226.20
May	224.00	224.80	226.40	223.00	225.60	226.00
Aug	227.00	227.60	229.00	226.00	227.80	227.40
Oct	225.80	226.70	228.00	225.00	224.80	225.60
Dec	212.00	227.00	N.T.	N.T.	212.00	228.00
Mar	224.00	227.00	N.T.	N.T.	220.00	225.60
Volume: 1,487 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Dec	650	651	654	645	652	653
Mar	692	693	698	688	693	694
May	719	720	726	720	720	721
Jul	739	740	746	739	743	745
Sep	761	762	770	762	766	768
Dec	787	789	797	793	794	796
Mar	814	815	825	815	820	823
Volume: 2,928 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Nov	547	549	553	545	561	562
Jan	560	561	565	558	574	575
Mar	543	544	546	540	555	556
May	554	556	558	555	566	567
Jul	570	571	575	571	582	583
Sep	585	590	593	593	599	600
Nov	602	606	N.T.	N.T.	610	616
Volume: 2,120 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
Nov	Exp.	Exp.	216.00	200.00	314.75	315.00
Dec	—	288.00	296.00	284.00	303.75	304.00
Jan	274.50	275.00	283.00	271.00	290.50	291.00
Feb	257.50	—	269.00	258.00	275.00	—
Mar	241.00	242.00	246.00	241.00	—	257.00
Apr	226.50	227.00	231.00	226.00	243.75	244.00
May	222.00	225.00	232.00	232.00	236.00	241.00
Jun	213.00	—	230.00	230.00	234.00	237.00
Jul	—	—	N.T.	N.T.	223.00	—
Volume. 11,263 lots of 100 tons.						

PARIS WHITE SUGAR Dollars per metric ton	High	Low	Close Bid	Ask	Ch'ge
Dec	N.T.	N.T.	300.00	307.00	— 2.50
Mar	306.00	303.50	303.50	305.00	+ 1.80
May	305.50	305.00	304.00	306.50	+ 2.30
Aug	N.T.	N.T.	306.00	308.00	+ 1.70
Oct	N.T.	N.T.	288.50	291.00	+ 2.00
Dec	N.T.	N.T.	286.00	288.00	+ 2.00

Est. vol.: 455 lots of 50 tons. Prev. actual sales: 540 lots. Open interest: 6,552.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
La Quinta Motor	Q	.25	12-7	11-30
USUAL				
Deluxe Corp	Q	.29	12-3	11-19
Hecla Mining Co	-	.05	12-21	11-21
NC Nat Gas Q		.33½	12-14	11-30
Orion Capital	Q	.23	1-2	12-17
Span-Amer Med Sys	Q	.02	12-3	11-14

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

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London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1598.00	1602.00	1595.00	1600.00
Forward	1628.00	1629.00	1624.00	1625.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1308.00	1310.00	1316.00	1318.00
Forward	1315.00	1316.00	1317.00	1318.00
LEAD Sterling per metric ton				
Spot	367.00	369.00	368.00	370.00
Forward	373.00	374.00	373.00	374.00
NICKEL Dollars per metric ton				
Spot	8700.00	8750.00	8900.00	8950.00
Forward	8300.00	8325.00	8475.00	8500.00
TIN Dollars per metric ton				
Spot	6200.00	6220.00	6220.00	6230.00
Forward	6190.00	6200.00	6210.00	6215.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1287.00	1292.00	1292.00	1295.00
Forward	1265.00	1267.00	1269.00	1270.00

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.727	0.726
Coffee, lb	0.93	0.93
Copper electrolytic, lb	1.275	1.27
Iron FOB, ton	213.00	213.00
Lead, lb	0.41	0.41
Silver, troy oz	4.20	4.225
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	114.17	114.17
Tin, lb	3.9826	3.9721
Zinc, lb	0.6406	0.6406

Currency Options

Nov. 12

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Nov	Dec	Mar	Puts—Last Nov	Dec	Mar
50,000 Australian Dollars-cents per unit.							
Dollr	80	r	0.47	r	r	r	r
77.83	82	r	r	r	r	4.55	
500,000 Australian Dollars-European Style.							
77.83	78	r	0.92	r	r	1.46	r
77.83	79	r	r	r	r	2.16	
31,250 British Pounds-cents per unit.							
Pound	165	r	31.25	r	r	r	r
196.33	190	r	r	r	0.08	0.94	r
196.33	192½	r	r	r	0.23	1.65	r
196.33	195	r	r	r	0.67	r	
50,000 Canadian Dollars-cents per unit.							
Dollr	84	r	r	r	r	0.23	r
85.75	85	r	r	r	r	0.48	1.40
85.75	85½	r	0.62	r	r	r	r
85.75	86	r	r	r	r	0.99	r
85.75	86½	r	0.22	r	r	r	
62,500 German Marks-cents per unit.							
Mark	65	2.50	r	r	r	r	0.90
67.56	66	1.63	1.87	2.68	r	0.43	r
67.56	66½	r	r	s	0.10	0.57	
67.56	67	0.76	1.23	2.05	0.20	r	r
67.56	67½	0.43	0.94	s	0.35	1.00	
67.56	68	0.24	0.74	r	0.70	1.21	r
67.56	68½	r	0.59	s	r	r	
67.56	69	r	0.42	r	r	r	r
67.56	70	r	r	0.94	r	r	
62,500 German Marks-European Style.							
67.56	69	r	0.46	r	r	r	
250,000 French Francs-10ths of a cent per unit.							
Franc	20	1.78	3.30	r	0.80	2.50	
6.25 mil Yen-100ths of a cent per unit.							
Yen	71	r	r	r	r	r	0.32
77.70	74½	r	r	s	r	0.34	
77.70	76	r	r	r	0.08	0.69	r
77.70	76½	r	r	s	0.20	r	
77.70	77	r	1.65	2.51	0.32	r	r
77.70	77½	r	r	s	0.43	r	
77.70	78	0.44	1.16	2.11	0.66	r	r
77.70	79	0.16	r	r	r	r	r
77.70	79½	r	0.74	s	r	r	
77.70	80	0.07	0.54	1.27	r	r	r
77.70	81	0.04	0.34	r	r	r	r
77.70	81½	0.02	r	s	r	r	
77.70	82	r	0.26	r	r	r	
6.25 mil Yen-European Style.							
77.70	79	0.19	r	r	r	r	
62,500 Swiss Francs-cents per unit.							
Franc	72	r	r	r	r	r	0.30
80.02	73	r	r	r	r	r	0.34
80.02	77½	r	r	s	0.04	0.43	
80.02	78	r	r	r	0.07	r	r
80.02	78½	r	r	s	0.12	r	
80.02	79	r	r	r	0.19	0.87	r
80.02	79½	r	r	s	0.38	r	
80.02	80	0.49	1.39	r	r	1.30	r
80.02	80½	0.43	r	s	r	r	
80.02	81	s	0.96	r	s	r	

Total call vol. 8,867 Call open int. 398,348
Total put vol. 10,091 Put open int. 487,583
r—Not traded. s—No option offered.
Last is premium (purchase price).

U.S. / AT THE CLOSE

MCA and Bertelsmann Sign Deal

UNIVERSAL CITY, California (Combined Dispatches) — MCA Inc. said Monday that its Music Entertainment Group had agreed to let Bertelsmann AG's Bertelsmann Music Group distribute and license overseas its MCA, Geffen and GRP Records.

The company said the agreement, which involves about $100 million a year of business, is worldwide outside North America, except for Britain, Germany and Japan. MCA already has a record unit in Britain, has recently announced plans for a record joint venture in Japan with Victor Co. and plans to establish its own German record company.

MCA also said Bertelsmann will be the distributor for the new German MCA record company and for MCA's British record company.

The deal is a significant loss for Time Warner Inc.'s music-distribution arm and a further sign of foreign domination of the U.S. recording industry, analysts said. *(Reuters, LAT)*

NL Says Lockheed Bid Possible

WOODLAND HILLS, California (Reuters) — NL Industries Inc. said Monday that it is considering a $40-a-share cash bid for the shares in Lockheed Corp. that it does not already own.

NL is a vehicle controlled by the Dallas investor Harold C. Simmons, who earlier this year lost a proxy fight to acquire Lockheed. Mr. Simmons owns 19.8 percent of the aerospace company, but in September said that he was prepared to buy a further 10 million shares if the company removed its anti-takeover provisions.

Lockheed shares closed Monday at $30.25, up 75 cents, on the New York Stock Exchange.

NWA Earnings Hurt by Fuel Costs

ST. PAUL, Minnesota (Combined Dispatches) — Northwest Airlines said Monday that its third-quarter earnings dropped 32.1 percent due to higher fuel costs, and that it will report a loss for the fourth quarter if fuel prices do not decline.

The privately owned airline, a unit of NWA Inc., reported net earnings of $91 million, down from $134 million. Revenue rose to $2.00 billion from $1.81 billion.

The airline said its fuel expenses rose 30 percent to $338 million during the quarter. Measures to counter the high fuel cost include higher fares and a freeze on adding new positions, the carrier said. *(Reuters, UPI)*

IBM Launches New Desktop

WHITE PLAINS, New York (Reuters) — International Business Machines Corp. said Monday that it had introduced a new high-end desktop Personal System/2 portable computer that is based on the Intel i486 microprocessor.

The company said the IBM PS/2 Model P75 486 can be adapted for the need of the office or the road, giving users the portability they want without sacrificing the high-end performance of a powerful desktop computer.

IBM said prices for Model P75 are $15,990 for the 160 MB drive version and $18,890 for the 400 MB version. It said they will be available on Nov 30.

Time Warner Looking for Partners

WASHINGTON (Reuters) — Time Warner Inc. expects to raise cash to reduce its huge $10.8 billion debt load by forming joint ventures and partnerships with other companies worldwide, its chairman, Steven Ross, said Monday.

Companies involved in these "strategic alliances" would hold an equity interest in Time subsidiaries, Mr. Ross said in an interview after addressing a media conference.

He would give no timetable for forming such alliances, saying Time had to choose partners wisely for long-term growth rather than improving its short-term financial outlook. He was in Washington to address the International Women's Media Foundation.

JAPAN: *U.S. Is Blamed for Conflict Between Supermarkets and Shops*

(Continued from page 1)

partner of Toys R Us said the other day, after a meeting in the Tokyo suburb of Chiba, where plans for a giant toy store were described to a sullen but largely uncomplaining group of local merchants.

"I think they are coming to see the big stores as inevitable, maybe even beneficial in some neighborhoods," he said.

Ryusuke Shinoyama, who heads the association of shopowners in Nakano, would not describe the changes as beneficial.

"It is certain that the number of large-scale retailers will be increased," Mr. Shinoyama said at a gathering of shopowners at a sushi shop in their neighborhood. "But it is also certain that Japanese local society will be destroyed. You already see it happening."

With the supermarket and the smaller shops all staying open until 7 P.M. an uneasy truce now prevails in Nakano, whose business district, like those of most Tokyo neighborhoods, is centered on the Japan Railways station.

Most shopowners are older people who rebuilt the neighborhood after it was flattened by American bombs near the end of World War II. They sweep the streets in front of their stores, and greet weary returning workers with cries of "Welcome home."

And most of them play by Japanese retailing's unwritten rules: no big sales promotions that lead to price wars, no negative advertising, and limited introductions of products, which might disrupt the "orderliness" of neighborhood markets.

Then came Summit Stores Inc., a mid-sized supermarket chain. It is owned by Sumitomo Corp., a subsidiary of the huge corporate group that includes the Sumitomo Bank and manufacturing companies.

WORLD STOCK MARKETS

Agence France Presse Nov. 12

Amsterdam

	Close	Prev.
ABN Amro Hld	31.30	31.20
ACF Holding	32.50	32.10
Aegon	108.90	108.50
Ahold	131.30	129.90
Akzo	65.10	63.90
AMEV	44	43.60
A'Dam Rubber	4.05	4.05
Bols	169	169.50
Buhrmann Tett	49.20	48.40
Center Parcs	79.50	79.50
CSM	84.20	84.30
DAF	18.30	17.90
DSM	78.50	76.70
Elsevier	75.80	75.30
Fokker	35.40	34
Gist-Brocades	27.80	27.10
Heineken	125.20	123.80
Hoogovens	52.80	51.90
Hunter Douglas	59.30	59
IHC Caland	49	49
Inter Mueller	73	73
KLM	19.50	19.10
KNP	37.80	36.70
Nat Neder	49.40	48.20
Nedlloyd	37.60	37.70
NMB Postbank	41.60	40.90
Oce Grinten	37.20	37.50
Pakhoed	191	190.30
Philips	19.40	19.10
Robeco	85.30	84.40
Rodamco	51.70	51
Rolinco	79.70	78.80
Rorento	60	59.80
Royal Dutch	131.80	130.40
Unilever	143.50	142.30
Van Ommeren	41.70	41.50
VMF Stork	44.10	44
VNU	82.50	80.50
Wessanen	59.30	57.60
Wolters/Kluwer	51.30	51

CBS Gen'l trend index : 94.50
Previous : 93.60

Brussels

	Close	Prev.
AG Fin	7560	7550
Arbed	3065	3065
Barco	1454	1460
Bekaert	7970	7930
Cockerill	N.Q.	141
Cobepa	4900	4860
Delhaize	5780	5710
EBES	4285	4285
GB-Inno-BM	1122	1116
GBL	3315	3305
Gevaert	6750	6800
Hoboken	11150	11150
Intercom	169.25	170.25
Kredietbank	3195	3190
Petrofina	10500	10500
Royal Belge	4925	4920
Soc Gen Banque	4365	4360
Soc Gen Belgique	1910	1900
Sofina	11000	11000
Solvay	9980	10000
Tractebel	3105	3177
UCB	18600	18600
Unerg Ps	2175	N.Q.

Current Stock index : 5127.80
Previous : 5114.27

Frankfurt

	Close	Prev.
AEG	214	202
Allianz Hold	2110	2092
Altana	483.70	472.50
Asko	923	933
BASF	191.80	187.20
Bayer	200	198.20
Bay Hypo bank	300	300
Bay Vereinsbk	319	320
BBC	740	N.Q.
BHF Bank	368	354
BMW	397.50	397
Commerzbank	209	208.50
Continental	194	197.10
Daimler Benz	570	553
Degussa	275.50	275
Dt Babcock	133	136.90
Deutsche Bank	568	554.80
Douglas	835	825
Dresdner Bank	343.50	340
Feldmuehle	N.Q.	488
Harpener	473	474.90
Henkel	580	572
Hochtief	1285	1279
Hoechst	183.20	181.50
Hoesch	208	205
Holzmann	1343	1330
Horten	221	220
IWKA	265	263
Kali Salz	140.50	142
Karstadt	680	665
Kaufhof	549	542
KHD	172.50	170
Kloeckner Werke	137	137.50
Krupp Stahl	283	282
Linde	786	779
Lufthansa	111	111
MAN	375	371.50
Mannesmann	269	266.50
Metallgesell	427.50	428
Muench Rueck	2198	2150
Nixdorf	296	287
PKI	515	508.50
Porsche	732	739
Preussag	297	292
PWA	213	211.80
RWE	410	400.50
Rheinmetall	286	302
Schering	707	699.50
SEL	308	297.50
Siemens	593	578.50
Thyssen	190	187
Varta	299	298
Veba	302.50	298
VEW	212	212
Viag	343	340
Volkswagen	340.20	337.50
Wella	718.50	693

DAX Index : 1402.24
Previous : 1381.49
FAZ Index : 613.84
Previous : 603.48

Helsinki

	Close	Prev.
Amer A	62	62.50
Enso-Gutzeit	24	23
K.O.P.	31	31
Kymmene	55	56
Nokia	55	55
Pohjola	96	96
Stockmann	90	93
United Papers	125	125
Wartsila	355	355

Unitas Index : 410.40
Previous : 411.00

Hong Kong

	Close	Prev.
Bk East Asia	13.80	13.70
Cathay Pacific	7.10	7.15
Cavendish Int'l	3.48	3.48
Cheung Kong	12.30	12.10
China Light Pwr	15.30	14.60
Dairy Farm Int'l	9.40	9.40
Hang Lung Dev	5.25	5.30
Hang Seng Bank	21.50	21.30
Henderson Land	8.10	8.20
HK Air Eng.	14.40	14.20
HK China Gas	9.75	9.55
HK Electric	9.40	9.35
HK Land	7.45	7.55
HK Realty Trust	4.33	4.25
HK Shang Bank	4.53	4.53
HK Shang Htls	4.18	4.15
HK Telecomm	5.75	5.80
HK Ferry	3.85	3.80
Hutch Whampoa	11.20	11
Hysan Dev	1.15	1.14
Jardine Math.	30.75	31
Jardine Str Hld	16.10	16
Kowloon Motor	5.60	5.55
Mandarin Orient	4.65	4.58
Miramar Hotel	5.85	5.90
New World Dev	8	7.85
SHK Props	13.80	13.80
Stelux	2.78	2.80
Swire Pac A	15	14.90
Tai Cheung Pros	3.45	3.38
TVE	0.95	1
Wharf Hold	7.80	7.70
Wing On Co	6.55	6.45
Winsor Ind.	6.95	6.90
World Int'l	3.83	3.78

Hang Seng Index : 2949.56
Previous : 2922.92

Johannesburg

	Close	Prev.
AECI	12.50	12.50
Altech	70.50	70.50
Anglo Amer	92.50	94
Barlows	32	31.50
Blyvoor	12	12
Buffels	53.50	54
GFSA	64	65
Harmony	29	29.50
Highveld Steel	12.50	12.50
Kloof	33.50	34.25
Nedbank Grp	10.20	10.20
Rusplat	60	61
SA Brews	37.50	37.50
St Helena	32	32
Sasol	14.05	14
Welkom	20.50	21.40
Western Deep	128	129.50

Composite Stock Index : 2610
Previous : 2623

London

	Close	Prev.
Allied Lyons	4.68	4.69
Anglo Am Gld	32.22	N.Q.
AA Corp	12.69	N.Q.
Asda-MFI Gp	1.25	1.24
Ass Brit Foods	3.92	3.88
Barclays	3.43	3.45
Bass	9.81	9.78
B.A.T.	5.63	5.53
Blue Circle	2.02	2.01
BOC Group	4.60	4.68
Boots	3.21	3.23
Bowater	4.49	4.48
BAe	5.43	5.45
BAA	3.68	3.64
Brit Airways	1.40	1.41
British Gas	2.15	2.19
BP	3.35	3.38
British Steel	1.20	1.20
Brit Telecom	2.56	2.57
BTR	2.92	2.87
Burmah Oil	4.48	4.48
Cable Wire	4.40	4.29
Cadbury Sch	3.06	3.04
Charter Cons	3.85	3.83
Comm Union	4.52	4.52
Cookson	0.88	0.90
Courtaulds	3.18	3.16
Dalgety	3.35	3.35
De Beers	8.75	8.69
Dixons	1.38	1.37
Driefontein	5.57	N.Q.
Eurotunnel	3.40	4.03
Fisons	3.63	3.55
Gen Acc F	4.29	4.40
GEC	1.84	1.78
GKN	2.98	2.95
Glaxo	7.77	7.58
Grand Met	5.52	5.53
Gt Univ Stores	13	13
GRE	1.81	1.83
Guinness	7.12	7.11
Hanson Tr	1.80	1.80
Hawker Sidd	3.95	3.97
ICI	8.55	8.44
Kingfisher	3.71	3.72
Land Sec	5.26	5.23
Legal Gen Grp	3.57	3.56
Lloyds Bank	2.77	2.68
Lonrho	1.83	1.82
Lucas Ind	1.21	1.17
Marks Sp	2.35	2.33
Maxwell	1.49	1.48
MB Group	1.50	1.46
Midland Bk	1.88	1.90
NatWest	2.57	2.58
Pearson Grp	6.25	6.25
P and O	4.80	4.85
Pilkington	1.56	1.60
Prudential	1.99	1.99
Racal Elec	1.83	1.64
Randfontein	2.41	N.Q.
Rank Org	5.83	5.78
Reed Intl	3.56	3.56
Reuters	6.20	5.93
Rolls Royce	1.55	1.52
Royal Dutch	39.94	N.Q.
RTZ	4.20	4.16
Saatchi	0.36	0.36
Sainsbury	2.96	2.97
Sears Holds	0.83	0.82
Shell	4.47	4.44
Skbeec	5.62	5.54
STC	3.14	3.14
Std Chart Bk	2.53	2.48
Storehouse	1.23	1.23
Sun Alliance	3.03	3.04
Tate and Lyle	2.58	2.53
Tesco	2.23	2.18
Thorn EMI	6.02	6.07
T I. Group	3.86	3.83
Trafalgar Hse	1.63	1.65
THF	2.55	2.50
Ultramar	3.27	3.24
Unilever	6.26	6.10
Utd Biscuits	3.08	3.08
Vickers	1.89	1.87
War Loan 3½	32	32.06
Wellcome	4.54	4.55
Woolworth	13.88	N.Q.

F.T. 30 Index : 1589.70
Previous : 1582.80
F.T.S.E. 100 Index : 2051
Previous : 2040.60

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3200	[illegible]
Banca Central	4570	[illegible]
Bco. Santander	4520	[illegible]
Banesto	3000	[illegible]
CEPSA	1955	[illegible]
Dragados	2465	[illegible]
Iberduero	629	[illegible]
Telefonica	813	[illegible]

S.E. General Index : 231.[illegible]
Previous : 226.42

Milan

	Close	Prev.
Banca Comm	4180	[illegible]
Bastogi	274	[illegible]
Cigahotels	3180	[illegible]
CIR	2785	[illegible]
Cred Ital	2231	[illegible]
Enimont	N.Q.	[illegible]
Eridania	7920	[illegible]
Ferruzzi Fin.	1910	[illegible]
Ferruzzi Agr.	1980	[illegible]
Fiat SPA	5850	[illegible]
Generali	30600	[illegible]
IFI	14850	[illegible]
Italcem	18515	[illegible]
Italgas	2600	[illegible]
Italmobiliare	58650	[illegible]
Mediobanca	13900	[illegible]
Montedison	1128	[illegible]
Olivetti	3670	[illegible]
Pirelli	1570	[illegible]
RAS	18200	[illegible]
Rinascente	5550	[illegible]
Saipem	1798	[illegible]
SIP	1095	[illegible]
SME	3961	[illegible]
Snia	1465	[illegible]
Standa	27750	27950
Stet	1770	1755
Toro Assi Risp	20300	20400

MIB current index : 768.59
Previous : 774.00

Montreal

	Close	Prev.
Alcan Aluminum	20¾	20⅛
Bank Montreal	28	27⅞
Bell Canada	39⅝	39
Bombardier A	15½	14¾
Bombardier B	13½	13¼
Cambior	10	10⅛
Cascades	3.10	3.15
Dominion Text A	6	6⅛
Donohue	N.Q.	—
MacMillan Bl	16⅝	16
Memotec	7⅝	7⅝
Nat'l Bk Canada	7¼	7⅝
Noverco	N.A.	
Power Corp.	15½	15¼
Provigo	9⅛	9⅛
Quebec Tel	14⅝	14⅝
Quebecor A	12	11¾
Quebecor B	10⅝	10½
Videotron	11¼	11⅛

Industrials Index : 1224.37
Previous : 1210.78

Paris

	Close	Prev.
Accor	720	718
Air Liquide	667	664
Avions Dassault	440	440
Bancaire (Cie)	436	412.60
BIC	492	492.50
Bongrain	2360	2410
Bouygues	382	374
BSN-GD	732	726
Carrefour	3490	3372
Cerus	126	129.20
C.G.E.	552	548
Chargeurs	771	764
Club Med	423	419
Elf-Aquitaine	621	617
Europe 1	1030	1049
Gen. Eaux	2215	2170
Hachette	161	162
Havas	516	503
Imetal	220	220.90
Lafarge Coppee	330	328
Legrand	3447	3439
Oreal (L')	481.70	480
L.V.M.H.	3699	3592
Matra	223	213
Merlin Gerin	460	456
Michelin B	63.55	62.50

	Close	Prev.
Genting	N.Q.	—
Harrisons Plant	1.20	1.17
How Par	1.96	1.99
Hume	3.16	3.16
Inchcape	3.60	3.66
Keppel	4.80	4.78
KL Kepong	2.60	2.55
Lum Chong	0.93	0.93
Malayan Banking	3.82	3.82
OCBC	7	6.95
OUB	4.10	4.08
OUE	5.10	5.10
Sembawang	4.12	4.06
Shangrila	4.94	4.92
Sime Darby	2.25	2.19
SIA	9.90	9.90
S'pore Land	5.20	5.15
S'pore Press	6.95	6.75
Sing Steamship	1.90	1.92
Straits Trading	2.39	2.38
UOB	5.15	5.20
United Overseas	1.36	1.37

Straits Times Ind. : 1102.89
Previous : 1088.49

Stockholm

	Close	Prev.
AGA	282	281
Alfa Laval	162	160
Asea	502	498
Astra -A	464	451
Atlas Copco	163	165
Electrolux B	131	131
Ericsson	210	206
Esselte-A	140	145
Handelsbanken	99	99
Norsk Hydro	199	199.50
Procordia AF	125	100
Saab-Scania	180	190
Sandvik	195	193
SCA-A	80	82
S-E. Banken	59	56
Skandia F	138	135
Skanska	305	303
SKF	72	71
Stora	200	195
Trelleborg B	94	91.50
Volvo	227	225

Affaersvaerlden : 818.76
Previous : 814.99

Sydney

	Close	Prev.
ANZ	3.92	3.92
BHP	10.70	10.45
ICI Australia	3.37	3.39
Magellan	1.91	1.91
MIM	1.98	1.93
Nat Aust Bank	6.08	6
News Corp	6.10	5.84
N Broken Hill	2.11	2.07
Poseidon	1.55	1.45
QCT Resources	1.26	1.25
Santos	4.58	4.55
TNT	1.76	1.67
Western Mining	4.52	4.48
Westpac Banking	3.94	3.92
Woodside	2.95	2.95

All ordinaries index : 1326.40
Previous : 1328.80

Market Closed

The stock market in Tokyo was closed Monday for a holiday.

Toronto

	Close	Prev.
Abitibi Price	13	12⅝
Agnico Eagle	7	7⅛
Air Canada	7¼	7⅜
Alberta Energy	17	16¾
Am Barrick Res	22⅝	22½

	Close	Prev.
BCE	37⅝	37⅝
BCED	0⅛	0⅛
Bk Nova Scotia	11⅜	11
BC Gas	14⅝	14⅝
BC Phone	18⅝	18½
BP Canada	17½	N.Q.
Bramalea	5⅝	5⅝
Brunswick	N.Q.	8½
CAE	4.70	4.60

For investment information
read THE MONEY REPORT
every Saturday in the IHT

U.S. FUTURES

Via Associated Press Nov. 12

Grains

WHEAT (CBT)
5,000 bu minimum- dollars per bushel

هكذا من الأصل

صكنا من الأصل

AMEX

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High Low Stock Div Yld PE Sls 100s High Low 4 P.M. Ch'ge

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

Claudio Boada

Chairman,
Banco Hispano Americano

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Leipzig, for instance, can be reached from every major European city within 3½ hours flying time – the time I need to go from Madrid to Valencia. In the Single Market, there are no national borders. We can capitalize on opportunities wherever they arise. And in Eastern Germany, there are plenty of opportunities.

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THE EUROPEAN INITIATIVE FOR EASTERN GERMANY

Liaison office
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Tel. (0 69) 13 62-26 36
Fax (0 69) 13 62-20 08

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Rome Tel. (06) 54 45 26 28
Madrid Tel. (91) 5 76 22 02

New Concept GmbH

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued on next page)

NYSE Highs-Lows

NEW HIGHS 14

Beverly
Imcera
RJR Nab pf
Unifi
ChiMilw pf
KentuckyUtl
SanDie Gas
WillisCorro n
ConAgra s
Medtronic
SvceCp
EMC Cp
NICOR 190pr
TECO Eng

NEW LOWS 35

AcmeElect
Beldg Hem
CmptrTask
Eastn Util
FtNorstr pf
HorizonEngy
OlinCp
SPS Tech
SterlOptcl
UnvMed pf
AmaxGold
CoffinMng
Craig pr
EdisonBro s
FlowerInd
Interco
ParTech
SafeardScl
UDomInd s
WynnsInt
BET Public
ChaparStl
Culbro
FinevstFds
Goodyear
LAC Minr g
Primark
SnyderOil n
Unit Inns
BMC Ind
ComTelChle n
EQK Grn
FstChi adj p
Gulf Resrc
LeisurTc cv
RobtCaco wi
SteegoCp
UtdInvstr

AMEX Highs-Lows

NEW HIGHS 7

AmerOilGas
HallwdRty n
AmTr-bmy prr
PGE 262pfS
Bombay n
Viatech
GW Util

NEW LOWS 30

AmMedica n
CMI Corp
CoronaA g
EngySvc pf
HenlyInt
OhioArt Co
ResrRecl
Verit Ind
AnglPart
CatalinaLt
DelLabs
ForestCty B
JonesPlmb
Perini Corp
SierCap7
Westcorp
BeardOil
ChrFst 250p
DevonEgp pf
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Finland F.M.	99046/8.835643	2,000	1,276	1,100	600
France F.F.	05/437437	1,600	1,312	880	485
Germany (mail) D.M.	013.02525	600	419	330	182
— *hand delivery D.M.		758	261	389	204
Great Britain £	0800/700600	150	105	85	45
Greece (mail) Dr.	01/51.29005	40,000	32,800	22,000	12,000
— hand delivery Athens Dr.		50,000	22,300	28,000	15,500
Ireland £Irl.	— —	155	112	85	47
Italy Lire	— —	450,000	350,300	250,000	138,000
Luxembourg L.Fr.	32/3.2710304	11,000	7,200	6,000	3,300
Netherlands Fl.	055/212329	600	492	340	185
Norway (airmail) N.Kr.	09546/8.835643	2,500	1,368	1,400	770
— **hand delivery N.Kr.		3,000	1,368	1,650	910
Portugal Esc.	0034/1.5551085	31,000	30,300	17,000	9,300
Spain (mail) Ptas.	91/5551085	35,000	25,060	19,200	10,600
— ***hand deliv. Barcelona Bilbao, Seville, Valencia Ptas.		38,000	22,060	20,900	11,500
— ***hand deliv. Madrid Ptas.		51,480	—	25,740	12,870
Sweden (airmail) S.Kr.	08/835643	2,200	1,440	1,210	665
— **hand delivery S.Kr.		2,800	640	1,540	850
Switzerland S.Fr.	046/055757	500	446	275	150
Rest of Europe, N. Africa, form. French Africa, Middle East $	— —	500	Varies by country	275	150
Rest of Africa, Gulf States, Asia $	— —	650		355	195
Central/Latin America $	— —	600		330	180

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Asko Buys Banks' 90% Stake in Co-op

By Richard E. Smith
International Herald Tribune

FRANKFURT — Asko Deutsche Kaufhaus AG ended one of the stormier chapters in German retailing history on Monday with the announcement that it has acquired 90 percent of the shares of Co-op AG, the ill-fated food and do-it-yourself chain.

Asko, which is already one of Germany's largest retailers, said that the acquisition of Co-op would allow it to expand its retail network in both the western and eastern regions of the country, to develop its marketing power in the food business and to provide tax advantages.

"Asko needs to catch up in the food business," said Klaus Wiegandt, the designated chairman. He noted that eastern Germany offers a new market and that the western German population is growing due to immigration.

The shares are being acquired from Deutsche Genossenschaftsbank and Bank für Gemeinwirtschaft, which had acquired their own respective stakes of 67.5 percent and 22.5 percent in Co-op early this year as part of an effort to rescue the company from collapse.

These two banks, acting as underwriters, were forced to assume the shares in January when four other banks, including Amsterdam-Rotterdam Bank, Pacific National Bank of the United States, Svenska Handelsbanken of Sweden and Swiss Bank Corp., refused to exercise subscription rights to Co-op stock because they claimed they did not have enough information about the troubled company.

The price of the new transaction was not disclosed, but Asko said that it would be offering to buy the remaining 10 percent of outstanding shares at the beginning of next year for 500 Deutsche marks ($335) per share.

Co-op, which had expanded rapidly in recent years and incurred a heavy debt burden, was further disabled late last year when various company officials were arrested on suspicion of embezzlement.

In the effort to avoid total collapse, management was shuffled several times and this year many of the company's operations were sold off.

Asko said that the remaining operations, including a total of 765 stores and 18,000 employees, were among the strongest.

It added that earlier predictions by the Co-op board of a profit of 30 million DM in 1991 would likely double because of the union with Asko.

NYSE

Monday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

Steep Earnings Decline Expected for German Chemicals Concerns

Reuters

FRANKFURT — Earnings at the three major German chemicals firms fell precipitously in the third quarter, hurt by slowing growth in key export markets, higher costs, depressed sales prices and the mark's strength, analysts said Monday.

Hoechst AG will report third-quarter earnings Tuesday, followed by BASF AG and Bayer AG in the subsequent two weeks.

A further sign of trouble in the industry came Monday, when Hoechst said it would cut 1,000 jobs at its Kalle-Albert plant in Wiesbaden, citing "lasting unsatisfactory earnings development."

Analysts surveyed for their forecasts frequently used just one word to describe the German chemicals industry's third quarter: "Bad."

Earnings "will be extremely weak," said Hans-Peter Wodniok, analyst at James Capel & Co. in Frankfurt. "All three will see earnings falling off at a sharper rate than at the half. And if the dollar falls to 1.45, the fourth quarter will be worse than the third."

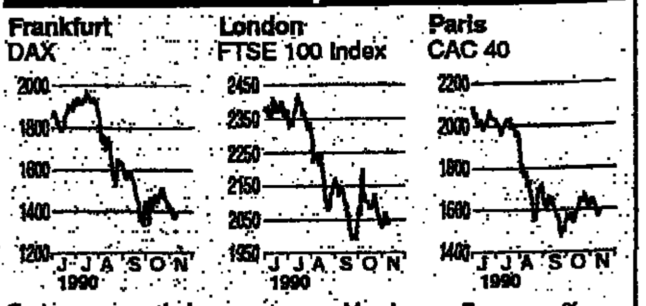
Hoechst and BASF results could be between 15 and 25 percent below 1989 third-quarter levels, analysts said. Bayer, which derives a larger portion of its earnings from the comparatively steady pharmaceuticals business, will see earnings decline a less dramatic 10 percent, most analysts said.

Kiran Bhojani, an analyst at M.M. Warburg Brinkmann, expects Hoechst's third-quarter pretax profit to slip to 800 million DM ($540.5 million) from 1.02 billion DM last year, BASF's to decline to 650 million DM from 1.04 billion marks and Bayer's to drop to 900 million DM from 1.09 billion.

The strong mark has also raised competition in the German market, said an analyst at Bank Julius Baer, Michael Broeker.

"The German chemicals industry is being hit from all sides," Mr. Broeker said. On top of the other woes, he said, is a 6.5 percent wage increase that took effect on July 1, which by itself will cost the German chemicals industry 2.5 billion DM each year.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	CBS Trend	94.50	93.60	+0.96
Brussels	Stock Index	5127.80	5114.82	+0.25
Frankfurt	DAX	1402.24	1381.49	+1.50
Frankfurt	FAZ	613.04	603.48	+1.58
Helsinki	UNITAS	410.40	411.00	-0.15
London	Financial Times 30	1589.70	1582.60	+0.45
London	FTSE 100	2051.90	2040.60	+0.55
Madrid	General Index	231.50	226.42	+2.24
Milan	MIB	768.50	774.00	-0.71
Paris	CAC 40	1597.34	1572.83	+1.56
Stockholm	Affarsvarlden	818.76	814.99	+0.46
Vienna	Stock Index	504.26	500.33	+0.79
Zurich	SBS	525.20	520.80	+0.84

Sources: Reuters, AFP International Herald Tribune

France Telecom Looks Overseas

Reuters

PARIS — France Telecom has set up a group charged with seeking shareholdings in mobile-phone companies abroad, Michel Bertinetto, head of the mobile-phone division at the French state telecommunications concern, said Monday.

The group will also deal with France Telecom's applications for licenses to operate mobile-phone systems outside France, he said at a news conference.

France Telecom received 30 proposals for stakes or license applications abroad during 1990, he said. It has a monopoly in its traditional area of fixed-line telephones, but has one competitor in mobile phones.

France Telecom has said it aims to earn 10 percent of its revenue outside its home territory by the year 2000, compared with just 0.5 percent currently.

Mr. Bertinetto gave no details of share stakes that France Telecom might take, beyond saying that the company is interested in Europe but does not confine its ambitions to the Continent.

He said it was prepared to bid for mobile-phone licenses in countries where a network could be built from scratch. It has bid in Yugoslavia, Greece, Poland and Hungary. In the United States and Western Europe, however, it is seeking access to projects like personal communicator networks, a type of cordless phone network.

France Telecom operates the Radiocom 2000 cellular phone network in France, which currently has 220,000 subscribers, 25 percent more than it had at the end of 1989.

That puts France in third place within Europe in terms of numbers of subscribers, after Britain and Sweden.

Dassault Forms Venture With IBM in France

Agence France-Presse

PARIS — Dassault Electronique, a leading manufacturer of defense electronics, and IBM France announced Monday the creation of a joint venture in computer-integration systems.

The new unit will be owned 55 percent by Dassault Electronique, with IBM France holding the rest.

It is expected to employ 50 people next year, and 300 by 1995.

Dassault Electronique said the joint venture would allow it to make use of its expertise in defense electronics to boost its civilian market. The company earns 75 percent of its revenue from the defense sector.

U.K. Retail Sales Fell By 1.1% in October

Reuters

LONDON — British retail sales fell sharply in October, a sign that the country's overheated economy is cooling off fast, official figures released on Monday showed.

Retail sales fell by 1.1 percent compared with a rise of 0.6 percent in September, according to provisional figures from the Central Statistics Office. The statistics, which analysts said were positive for the war against inflation but bad news for retailers, had no effect on the pound and the stock markets.

Year-on-year inflation reached 10.9 percent in September. The October figure is due out on Friday.

British Steel Profit Falls

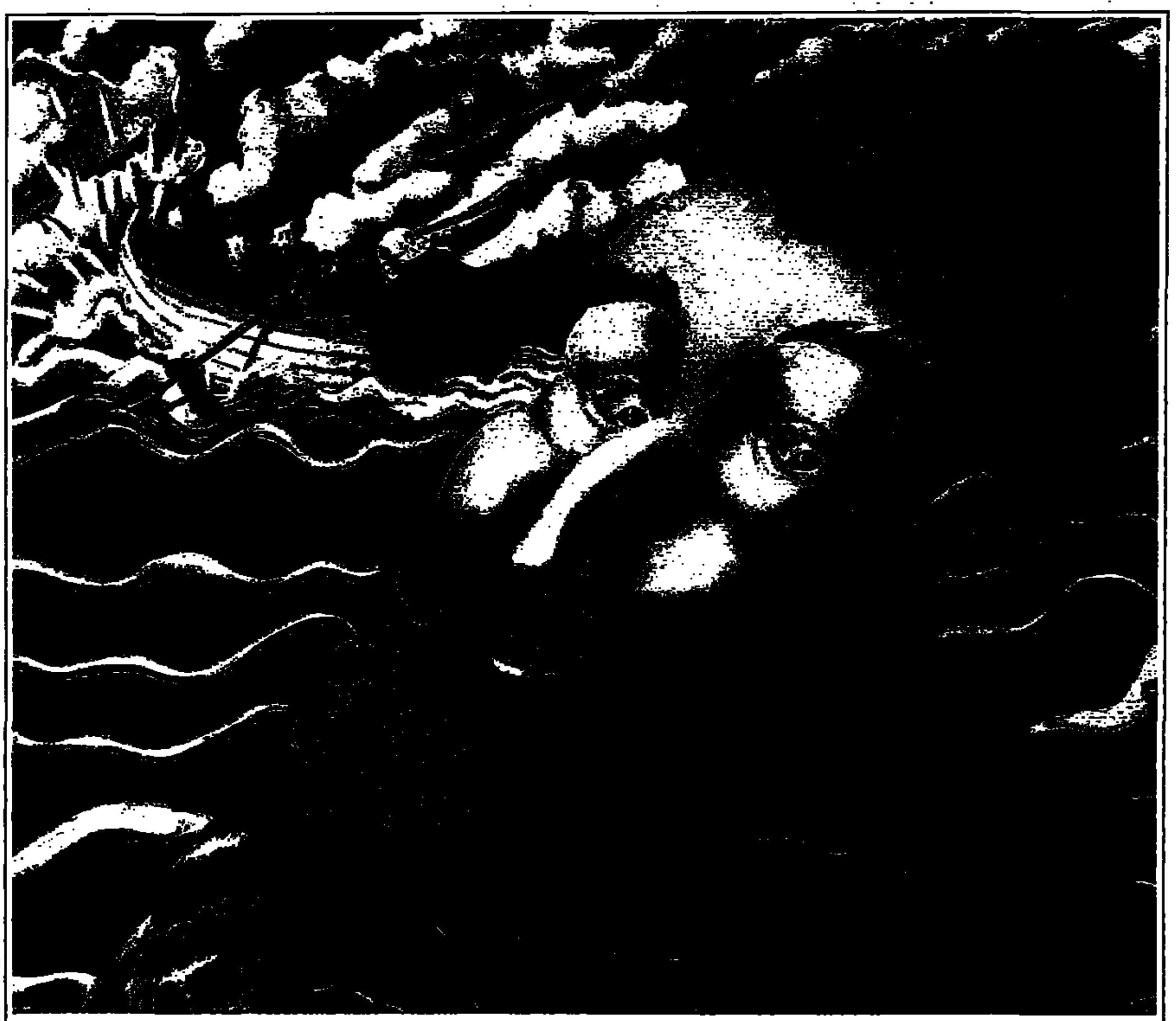
Compiled by Our Staff From Dispatches

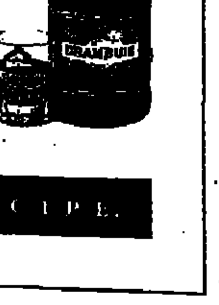
LONDON — British Steel PLC, the world's fourth biggest steel manufacturer, announced Monday a 27 percent drop in pretax profit for the first six months of this year to £307 million ($603.5 million) from £423 million.

The result was in line with analysts' forecasts and the company's stock price, which dropped in initial reaction to the announcement, recovered to trade at 120.75 in the afternoon, little changed from Friday's close. Dealers said an increase in British Steel's dividend, by 9 percent to 3 pence per share, helped buoy the stock.

British Steel's revenue in the first half was £2.51 billion, down slightly from £2.55 billion.

"The reduction in steel demand, which began in the second half of last year, has to date been confined mainly to the United Kingdom market," a company spokesman said. "But conditions have become increasingly competitive in the international market place due to the increased availability of steel." *(AFP, Reuters)*





A ROWING~BOAT FOR A LIQUEUR. (POSSIBLY THE BEST SWAP IN HISTORY.)

A red-faced English officer burst into the little hut.

"We have found your boat, MacKinnon! You will rot in prison!"

There was no fear in the old clan chief's heart, only pride. And in his plaid, a strange gift from the royal rebel he had spirited to safety.

MacKinnon survived the dungeon and so did his reward: the recipe for Prince Charles Edward Stuart's personal liqueur.

The drink that became Drambuie.

To this day, only one MacKinnon in each generation knows the formula.

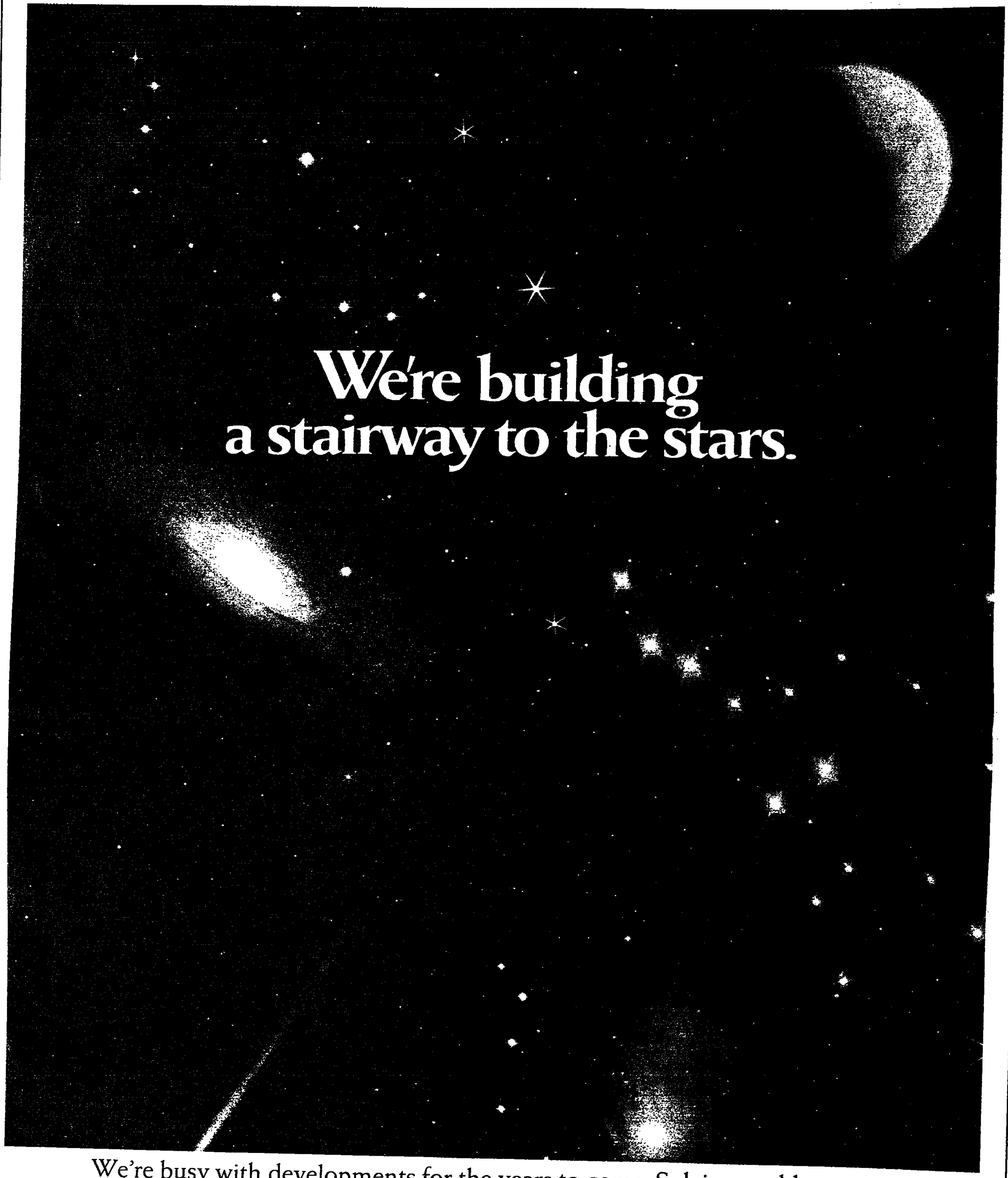
He will confess to the use of various rare 15 year old malt whiskies.

He will reveal that Drambuie is sweet and mellow on its own, slightly drier over ice and a match for most mixers.

But ask him about a certain secret herbal essence and he'll be rather more forthcoming.

He'll tell you to go and jump in a loch.

STILL MADE TO THE PRINCE'S SECRET RECIPE.


We're building
a stairway to the stars.

We're busy with developments for the years to come. Solving problems most people have yet to imagine. Perhaps you don't know us. But if you plan ahead, you should get to know us. To gain a head start on building the future.

DSM

WE PUT FANTASY TO WORK

Swiss Losses for Japan Banks

Reuters

ZURICH — Japanese banks and finance houses in Switzerland, facing major losses from the collapse of the Japanese equity-linked capital market this year, are cutting costs and looking for other sources of income, bankers say.

In 1989, Japanese financial institutions rode the crest of a wave of profitable equity-linked lending. But the steep downturn in Tokyo's stock market earlier this year has sharply pared 1990 earnings.

"We will have a dramatic drop in income in 1990," said Tetsuhiro Miyake, president of Nomura Bank (Switzerland) Ltd., in an interview. He gave no details.

Nomura, which had 11 percent of the equity-linked market in 1989, generated income of 150.7 million Swiss francs (120.5 million) from securities dealing, commissions and interest payments in the fiscal year that ended on March 31.

The Japanese equity-linked market in Switzerland is largely composed of two types of securities: bonds attached to warrants that enable the investor to buy the borrower's shares at a set price, and bonds that can be simply converted into shares on usually favorable terms. Much of the paper is placed privately.

"Most banks have made losses on issues sold this year," said an official at a U.S. bank, who asked not to be identified. Bankers say the overall market has shrunk between 30 percent and 40 percent this year.

The market has shown some signs of recovery in recent weeks. But the cost of raising money for Japanese companies has risen sharply, driving down the size of individual issues. Borrowers are now prepared to set interest rates at 5 percent on bonds with warrants, a four-percentage-point rise since January.

Mr. Miyake said Nomura was the chief intermediary for more than one billion Swiss francs of convertible bond issues in 1989, but this year it is expecting a total of only about 700 million.

Additional fallout is hitting Japanese banks in the shape of early redemptions on convertible bonds that the banks themselves have issued. Many of the bonds allow investors to turn the securities in early for cash.

Banks that issued convertible bonds in 1988 and 1989 never thought investors would exercise the early option, because of soaring Japanese stock prices. But things have changed since the market's slump.

Dai-Ichi Kangyo Bank now faces early redemption covering one billion Swiss francs of its convertible bonds next March and September. The option offers investors a 7 percent premium over the face value of the securities, meaning an added cost of 70 million Swiss francs for the bank.

Fuji Bank faces redemptions totaling up to 800 million francs.

"There's also a foreign-exchange loss — and this is the main problem — in the redemption business," said an official at a major Japanese bank. The yen has fallen some 20 percent against the Swiss franc since early 1989.

Many of the 34 small Japanese finance houses, suffering most under the equity-linked drought, have stopped hiring staff and are repatriating Japanese staff to cut costs. They also have to cope with new regulations by the Swiss Federal Banking Commission that all institutions involved in underwriting license themselves as banks by 1992 or close down.

This requires investment, above all in computer systems compatible with the Swiss banking network, and comes just as the finance houses are looking to trim budgets.

So far, applications by six of the 34 Japanese houses in Switzerland have been accepted, allowing them to participate in all areas of banking.

Trade Gap For Manila Grows 50%

Compiled by Our Staff From Dispatches

MANILA — The Philippines's trade gap increased by about half to $2.86 billion in the first nine months of the year, from $1.89 billion in the year-earlier period, the National Statistics Office said on Monday.

The office said exports rose 4.1 percent to $6.05 billion, but were outstripped by imports, which rose 15.6 percent to $8.90 billion.

Garments and electronic products were the leading exports, the report said. But it added that oil and coal fuel, lubricants and nonelectric machinery made up the bulk of imports.

For the month of September alone, the country's trade gap narrowed to $292 million dollars from August's $311 million.

Nonetheless, the September figure was still greater than the $185 million deficit posted in September 1989.

Exports during September climbed to $743 million, compared with imports totaling $1.03 billion.

These figures compared with August's exports of $676 million and imports of $987 million, and September 1989's exports of $677 million and imports of $862 million.

(Reuters, AFP)

Pace of Capital Flight From the Philippines Increases Fourfold

Agence France-Presse

MANILA — Foreign capital withdrawn from the Philippines reached $190 million in the first eight months of the year, a more than fourfold increase from the year-earlier period, Central Bank data released Monday showed.

From January to August this year, net foreign investments stood at $272 million, 46.4 percent down on the same period last year, according to Central Bank figures.

The bank gave no breakdown of the 342 percent increase in capital flight, which was confirmed as the Philippine government grappled with a budget and foreign-exchange crisis complicated by the effects of the Gulf conflict.

Manila newspapers reported Monday that $174 million was remitted abroad by foreign investors, principally from investments in the stock market following the sharp depreciation of the peso this year.

The other items included $13 million in remittances of foreign banks in Manila and $3 million in capital invested abroad, the dailies said.

President Corazon C. Aquino's perceived lack of a vision for industry and banking, a more attractive investment climate in Manila's Southeast Asian neighbors and fears of political instability were cited by businessmen as principal reasons for the capital flight.

■ Korea Investment Falls

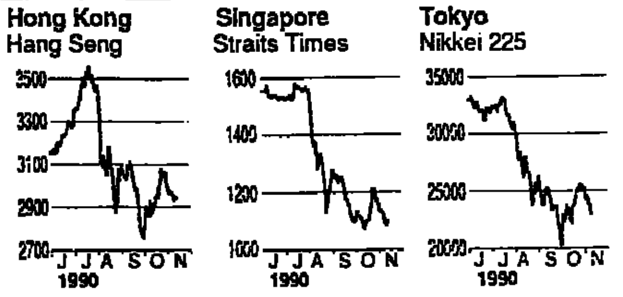
The Finance Ministry said Monday that foreign corporate investment in South Korea in the first nine months of this year declined 26.9 percent from a year earlier to $632 million, the Associated Press reported from Seoul.

Officials said the January-September tally included 340 approved equity investment projects.

The setback was attributed to worsening investment conditions, including steep local wage increases and a slowing of economic growth.

Foreign investment in Korea slumped to $1.09 billion in 1989 after peaking at $1.28 billion in 1988.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	2949.56	2932.92	+0.57
Singapore	Straits Times	1102.89	1088 49	+1 32
Sydney	All Ordinaries	1335.60	1328.80	+0.51
Tokyo	Nikkei 225	Closed	22931.80	-
Kuala Lumpur	Composite	469.45	468.05	+0 30
Bangkok	Book Club	579.33	579.76	-0.07
Seoul	Composite Stock	701.53	703.81	-0.32
Taipei	Weighted Price	Closed	3472.53	-
Manila	Composite	594.52	595.01	-0.08
Jakarta	Stock Index	408.97	414.51	-1.34
New Zealand	Barclays	1277.66	1277.95	-0.02
Bombay	National Index	645.00	686.88	-6.10

Sources: Reuters, AFP

International Herald Tribune

Philippines Power-Plant Deal Is Set

United Press International

TOKYO — A U.S.-Japanese-French consortium has won a contract worth almost $350 million to build a coal-fired power plant in the Philippines, the economic newspaper Nihon Keizai Shimbun reported Monday.

President Corazon C. Aquino had asked Japan to finance the project when she visited Tokyo in 1986. It calls for construction of a 300,000 kilowatt facility on Luzon Island, 120 kilometers (75 miles) south of Manila.

Cost of construction was estimated at 45.4 billion yen ($347 million), of which 40.4 billion yen would be financed by the government's Overseas Economic Cooperation Fund. It is scheduled to start operation in 1994.

Combustion Engineering Inc. of the United States and two Japanese firms, Mitsubishi Corp. and Mitsubishi Heavy Industries Ltd., are to supply boilers worth $195 million, the newspaper said.

Generators and turbines worth $107 million are to be provided by Marubeni Corp. of Japan and CGEE Alsthom of France, it added.

■ Oil Retailers Are Warned

The Philippine government on Monday assured panicked vehicle owners that the country's oil supply is adequate and warned oil retailers not to hoard products, Agence France-Press reported from Manila.

A rush at gasoline stations occurred after the government's energy regulatory board ordered the facilities to remain open only from 7:00 A.M. to 7:00 P.M. weekdays, and 8:00 A.M. to 5:00 P.M. weekends and holidays.

The three oil companies that operate in the Philippines — state-owned Petron, and Caltex and Shell — have said their supplies are "adequate."

Newmont Offer Wins Control of BHP Gold Group

The Associated Press

SYDNEY — Newmont Australia Ltd. has won control of BHP Gold Ltd. after Broken Hill Pty. announced Monday it had agreed to accept an offer for its 54.9 percent stake.

The bid, and a one-for-two share swap, mean that BHP will emerge with 23 percent of the merged group, which will be Australia's largest pure gold producer and among the top 15 gold companies in the world.

Newmont launched the bid in September after taking court action against a similar scrip bid launched on it by Robert Champion de Crespigny's Poseidon group.

Poseidon later abandoned its bid for Newmont, but retains a 19.9 percent stake in the company, which would be equivalent to about 12 percent of a merged Newmont-BHP Gold group.

What Should Japanese Land Cost?

By Patrick L. Smith

International Herald Tribune

TOKYO — A recently released government report recommending increased taxes on land in Japan is likely to start an intense debate over how to lower the nation's prohibitively high property values, economists say.

The Tax Advisory Commission's principal recommendations included taxes on the asset value of all national land, taxes on rental and usage rights and increases in fixed-asset taxes according to the earning power of properties.

Economists said they expected these measures to be the basis of legislation the government is likely to implement over the next year or so. The commission handed its report on the property issue to Prime Minister Toshiki Kaifu last week.

High land prices in Japanese cities have been recognized since the late 1980s as an important factor inhibiting consumption among the Japanese.

The high prices have also contributed to a potentially damaging have-have not psychology here and raised questions about the soundness of the banking system once prices of real estate start to fall sharply.

While it is considered unlikely that new land-tax legislation will be agreed upon and written in time for the fiscal year beginning April 1, the economists said that expectations among investors were already contributing to a softening in the prices of property in Tokyo, Osaka and elsewhere in Japan.

Another report released last week, which was based on a survey by the Construction Ministry, indicated that land, house and condominium prices have fallen 5 to 30 percent in Tokyo, Osaka and surrounding areas over the past three months.

"It's very early in the process, but any potential change in after-tax returns on land assets is going to effect the investor's willingness to buy," said Kermit L. Schoenholtz, vice president for economic research at Salomon Brothers Asia Ltd.

Mr. Schoenholtz said that, in addition to the land, house and condominium price declines, the prices of golf-club memberships had declined by 20 percent to 40 percent since the record levels reached last March.

The government report did not recommend specific taxation rates. But one group of private economists calculated that the addition of a 1 percent tax on Japanese real estate — a percentage that is said to be under consideration — would reduce land prices by 25 percent over the next decade.

Another economic research group calculated that a 30 percent drop in land prices would have no appreciable effect on the Japanese banking system.

But Mr. Schoenholtz said that view was probably "too sanguine." He reckoned that some 3.5 trillion yen ($26.9 billion) worth of bankruptcies would ensue if prices came down by that percentage.

Singapore Plan To Aid Drivers

Agence France-Presse

SINGAPORE — Singaporeans who intend to drive only on weekends will save money on taxes and fees under a plan to be introduced by early next year, according to the communications and information minister, Yeo Ning Hong.

Mr. Yong said the government is considering expanding the proposed weekend car plan, under which cars will be identified by red number plates, to allow participants to drive on public holidays and during off-peak hours — from 8:00 P.M. to 7:00 A.M.

He said the plan will enable more people to own cars at a lower cost by offering a sizable discount in registration fees and road taxes as well as other incentives. Details of the initiative will be announced next month.

TAIWAN: *Market Turning to New Foreign Investors*

(Continued from first finance page)

tightened the money supply. Now officials forecast that gross national product will grow by only 5.15 percent this year, compared with 7.33 percent in 1989.

There is also an increasing sense that Taiwan's leaders lack a firm grip on the direction of the country and that growing divisions between rich and poor have driven up crime rates. Capital has begun flowing out, more than $10 billion leaving in the first eight months of this year. This has pushed down the stock market, officials say.

"We have much less institutional control here, so the market really runs itself," said Tracy Cheng, senior vice president at the Taiwan Stock Exchange. "Everyone talks about perfect competition and perfect markets. In Japan and the United States, there's really much more control than in the Taiwan and Hong Kong markets. It's really a freer market here."

Many foreign investors say they are eager to invest in Taiwan.

"I've been here four years waiting for this market to open up," said John F. Engle, president of Hoare Govett Securities Taiwan Ltd. "Fund managers cannot just close their eyes to Taiwan and hope it disappears."

In July, the market value of shares traded on the Taiwan stock market totaled $48.08 billion, higher than in London and slightly less than in Frankfurt. In August, London moved slightly ahead of Taiwan.

Still, there will be restrictions on foreign investments. Investors will have to apply for a permit to take $5 million to $50 million into the country. After receiving approval, they will have to take the money into Taiwan within three months, presumably so that the quota could be given to another applicant if they did not comply.

NASDAQ

Monday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SPORTS

ATP Championship Gets All Its Big Guns, if Somewhat Muzzled

By Nick Stout
International Herald Tribune

FRANKFURT — Although two have limped into town, the world's top eight tennis players are gathered here this week for the annual playoff that is supposed to serve as a grand conclusion to the long tournament season.

When the ATP Tour World Championship begins Tuesday it will have a field of, in order of their official world rankings, Stefan Edberg, Boris Becker, Ivan Lendl, Andre Agassi, Pete Sampras, Andrés Gómez, Thomas Muster and Emilio Sánchez.

Becker and Sampras both confirmed Monday that they are healthy enough to play. Becker, who's first match will come Wednesday, was undergoing extensive treatment for a muscle tear in his left thigh. Sampras, with shin splints, proclaimed himself to be 90 percent ready.

Because the Association of Tennis Professionals is running its own show nowadays, what used to be the Masters tournament has had its named changed and Madison Square Garden has been foresaken for the Frankfurt Festhalle. But nobody has tampered with the traditional and sometimes controversial format: it is still a round-robin affair that permits a player to lose a match and still have a shot at the title.

However, the injury that forced Becker to hobble home from Paris a week ago after defaulting to Edberg means that the ATP Championship will not be the showdown that it might have been. Had Becker won in Paris, he would have overtaken Edberg by a whisker for the the No. 1 ranking and made Frankfurt the determining event for that distinction.

Still, as the successor to the Masters, the ATP Championship is probably the biggest tennis tournament going save the Grand Slams, and if anybody can get through five matches undefeated he will be $1 million richer for it.

Each round-robin contest pays $50,000 to the winner and nothing to the loser, the feeling being that this sum ought to be sufficient to keep everyone honest. Some years ago, when organizers neglected to provide such an incentive in the early going, it developed that Jimmy Connors and Lendl were still playing each other in the round-robin phase even after each had clinched a spot in the semifinals, where the money would become interesting. The hitch was that the winner of that Connors-Lendl contest in January 1981 would have to take on Bjorn Borg, then in his prime, while the loser would get to play Gene Mayer, respectable enough at the time but not somebody to instill fear.

Connors won the match rather easily, and never quite forgave Lendl for losing it. "Chicken," was the word Connors used. The upshot was that Lendl beat Mayer, as expected, and Borg eliminated Connors. Borg went on to win the final, and Lendl collected a handsome check as the runner-up.

That was Lendl's first Masters final. He also got into the next eight and won five, but his string of nine consecutive finals was broken last year, when Edberg bounced him in the semifinals.

As usual, the players will be divided into two groups based on their rankings. Group A will comprise Edberg, Agassi, Sampras and Sánchez; Group B Becker, Lendl, Gómez and Muster. Each will play the other contestants in his group over four days, the semifinals matching the Group A player with the best record against the second-place finisher in Group B and vice-versa. All matches will be best-of-three sets, except the final, which will be best-of-five.

On Tuesday, Edberg takes on Sánchez, Lendl plays Muster and Agassi faces Sampras in a repeat of the U.S. Open final, which Sampras won in three sets.

Conventional wisdom says that, unless Becker can spring from the therapist's table, Sunday's final on the fast Blue Supreme surface ought to be another Edberg-Lendl affair.

Here is a look at how the contestants have fared in 1990:

Edberg, 24 years old; ATP ranking No. 1 — The Swede took over the top ranking in August and has benefited from the ATP's "14-best" rule, according to which a player's ranking is based on his best 14 tournaments. Consequently, Edberg's first-round losses in the French and U.S. Opens did not count against him. Instead, he could rely on tournament victories at Indian Wells, California; Tokyo; Wimbledon; Los Angeles; Cincinnati; Long Island and Paris. A dedicated serve and volleyer, Edberg breezed through the Paris Open without losing a set.

Becker, 23 on Nov. 22, ATP ranking No. 2 — He has a 28-3 record since early August, winning three tournaments. The German's indoor record for 1990 is 28-2, best on the ATP Tour. Although he lost the Wimbledon final and had to default in Paris, he has defeated Edberg three times this year. He could still finish the year as No. 1, but he would have to go undefeated at Frankfurt while Edberg was faring very poorly.

Lendl, 30, ATP ranking No. 3 — He won the Australian Open when Edberg defaulted in the final, then added four more titles during the course of the year. In an effort to win Wimbledon, Lendl decided to forego the spring clay-court season. But it was a vain effort; he lost to Edberg in the semifinals. On Aug. 13, Edberg claimed the No. 1 ranking, which Lendl had held for 80 weeks. Soon afterward Lendl dropped to No. 3.

Agassi, 20, ATP ranking No. 4 — He beat Edberg in the spring to win the International Players Championships in Key Biscane, Florida, and got to the finals of the French and U.S. Opens. But the love of Las Vegas skipped Wimbledon once again, thus leaving himself with something still to prove to the world. Agassi has defeated Becker twice and Edberg once this year.

Sampras, 19, ATP ranking No. 5 — He has been nursing his shin splints ever since the U.S. Open, where he stunned Lendl, John McEnroe and Agassi in succession to win the title. Last month in Stockholm, in his first tournament appearance since Flushing Meadow, the young American got to the semifinals before losing to Becker. But Sampras was embarrassed in Paris, where he lost in the third round to a French qualifier. Sampras's left shin is apparently still painful, but a bone scan has confirmed that there is no damage.

Gómez, 30, ATP ranking No. 6 — He has been on a downward curve ever since he beat Agassi for the French championship in early June. His record since is 7-13. Like Edberg, the Ecuadoran has been able to throw out most of his bad results and draw mainly on his record in the first six months to keep his ranking high. He has played 26 tournaments in 1990, and all three of his singles titles this year have been on clay.

Muster, 23, ATP ranking No. 7 — The Austrian is coming off a three-week suspension for not having given "maximum effort" at a tournament in Prague, where he quit after one game. Like Gómez, he is most comfortable on clay, and his best results were in the early part of the year, when he won three tournaments, including the Italian Open. Most recently, Muster defeated Agassi and Michael Chang in the Davis Cup final in Vienna, where Austria lost to the United States.

Sánchez, 25, ATP ranking No. 8 — Although reared on clay, the Spaniard's best results this year have been on hard courts, where he is 15-4 for 1990. He won two tournaments early in the year and has been a consistent semifinalist. Sánchez upset Lendl in the fourth round at Key Biscayne, but he has a losing record with every participant here except Sampras.

Reuters

Becker: Undergoing extensive treatment.

For Graf, 1990 Proved to Be the Most Painful of Years

By Robin Finn
New York Times Service

WORCESTER, Massachusetts — Granted a wish, Steffi Graf likely would have asked for the impossible, to have this version of 1990 erased altogether, to have reached her 21st birthday and got on with the business of retaining her title as the world's top female tennis player.

Instead, she had to endure a family scandal and a stream of illnesses that forced her to re-evaluate everything from tennis to filial loyalties. Graf, since 1987 nigh unto invincible — at least in her professional life — felt helpless in every phase of it.

"For the longest time, all I wanted to do was get away from everything and everyone, including tennis," she said, relaxing on a recent evening in Massachusetts where, with her spirits and tennis strokes back in synchrony, she dominated the field at the Virginia Slims of New England.

From January to September, Graf was in and out of tears daily. "I was in shock," she said of the German news media's lurid tales of blackmail, extortion, adultery and patrimony claims implicating her father, manager and girlhood mentor, Peter. "Obviously a year like that takes its toll on you. You try to know for yourself what the real problems are, what is right and wrong for you to do about it, and you change your mind so many times you make yourself crazy."

"She tends to be a negative person anyway, and a perfectionist," said Pavel Slozil, her coach for four years, "so getting her to find anything positive about this year was difficult. Even winning tournaments didn't always help because for a time she had stopped believing in herself, and this is a girl who needs to believe in herself."

Nothing in 1990 happened the way Graf would have wanted. But now she has shaken off the role of victim and staked out the claims of adulthood. She remains close to her father but has quietly assumed a more assertive voice in every decision from which type of backhand to hurl at opponents to where she wants to vacation — and with whom. Unable to find much serenity at home in Brühl, she is even thinking about taking an apartment in her favorite metropolis, New York.

"She has the last word on most things now and, yes, for her that is different," Slozil said.

Graf has managed, after a springtime of apathy, to resume her love affair with tennis and, as the shiny gold circlet on the ring finger of her left hand, a gift and a vow from Steffi to Steffi, attests, she has begun to feel good about herself again.

"I bought the ring just because I liked it," she said, tossing her lion's mane of tawny hair and giggling at the notion of this unorthodox betrothal. "The marriage between me and myself is working out very well."

By the end of this week, Graf, if she successfully defends her title at the Virginia Slims Championships at Madison Square Garden in New York, will push her earnings for this emotionally destructive but financially productive year over $2 million.

That feat has been accomplished by a female player just once before, by Martina Navratilova in 1984. Graf will also solidify her No. 1 ranking and, in addition to the $500,000 she is collecting as the winner of the Virginia Slims bonus pool, she will receive a Jaguar from the Kraft Tour.

"What I have been able to feel, finally, is that even if I only won one Grand Slam this year, I only lost four matches, and that is not so bad," she said.

The bad times for Graf began right at the start of the year in Australia, where her father told her that he was being harassed by an acquaintance, Nicole Meissner, whom Graf had assumed to be only "a friend of a friend."

Graf played shakily but nonetheless won the Australian Open for the third consecutive year. She then played masterfully in Tokyo at the start of February, but the mini-vacation she allowed herself to take the next week in Switzerland, where she had been asked to play a cameo role in a film, was a disaster. Set upon by a posse of photographers, she fell on an icy ski slope and fractured her thumb, an injury that sidelined her for the next two months. During her recuperation in Florida, her mind began drift from the court to her father's troubles.

Her apprehensions were justified in mid-May at the Berlin Open when the German newspapers made public, in unsympathetic fashion, rumors of her father's extramarital dalliance and involvement in an ensuing blackmail scheme allegedly engineered against him by Meissner and her boyfriend.

"The way that they came out with the story was the biggest shock to me," said Graf, who, unconsoled after a telephone call home to her parents, drove out to a forest outside Berlin and walked and cried there alone.

"You ask yourself, 'Is it true?' and you wonder why the press is trying to hurt you and your family as much as they can," she said. "It's on your mind constantly: you see people reading the papers and you want to rip them out of their hands. I never should have tried to play that final against [Monica] Seles because, really, I was not even there."

Indeed, Graf's fortunes did not improve at the French Open. Already numbed by worries about the way the scandal was affecting her family, a residual sinus infection flared. In the final, against Seles, she said, "I realized on the court that I couldn't even play the ball; my mind and body just weren't there. It was a terrible feeling." The next day, Graf went to Germany and sought escape. "I didn't even feel like going, but once I was there, it helped me," she said. "And I went over to Wimbledon feeling like I was ready to play again."

Instead, on the eve of her semifinal against Zina Garrison, she found herself in a small plane en route to Heidelberg, where she received a transfusion and emergency treatment. She lost to Garrison in three sets and, following the advice of her physician and the demands of her coach, who said her health meant more than the U.S. Open, agreed to have a sinus operation the very next day.

"I didn't want to spend my vacation in a hospital, but once I got there, I actually enjoyed it," she said. "There was no phone, no television, and I didn't even read. I just lay there and thought about things, and on the very first day, before I went in for the surgery, I told myself that I was going to be ready to play again by the Canadian Open, and that I was going to go on court and be free of everything. That's when I decided I could be crazy about playing again."

She won in Montreal and San Diego and marched all the way to the U.S. Open final before succumbing to a case of nerves against Gabriela Sabatini. Since, Graf has won four straight tournaments, including an event at

AP

Graf: "A year like that takes its toll."

Leipzig, Germany, at the end of September where she tearfully donated her $45,000 winner's check to the town.

Meanwhile, her father's legal troubles have dragged on; extortion charges against Meissner were dropped and Peter Graf was recently ordered to take a blood test to help determine the paternity of Meissner's daughter.

"It's very hard for me to be in Germany right now," said Graf. "Every day the story is in the headlines, headlines you couldn't believe. It's been disgusting."

On Friday afternoon, Graf learned that Navratilova, the world's No. 2 player, had been forced to drop out of the championships because of a knee injury.

Well-versed in the disappointments 1990 has dealt out, Graf immediately picked up a phone and put in a call to the rival with whom she has made tentative plans to play doubles in the U.S. Open. "I'm sorry about it," she said. "I know exactly how you feel."

BOOKS

MY SON'S STORY

By Nadine Gordimer. 277 pages. $19.95. Farrar, Straus & Giroux, 19 Union Square West, New York, N. Y. 10003.

Reviewed by Richard Eder

NADINE GORDIMER'S writing has been devoted to showing the deadly and deadening damage of apartheid in South Africa. In her gravely ironic new novel, apartheid has loosened and begun to teeter. And a pure-hearted black schoolteacher, who has fought it hard, will be painfully displaced in the first frail freedoms he helped to win.

Sonny is a fine-spirited, graceful man who rose out of an artisan family to educate himself and teach English in a community outside Johannesburg. He and Aila, his wife, make a private decency for themselves and their children amid the public degradation of the racial laws. They cultivate their garden and wait.

But the times move. A black child is killed: the students in Sonny's school demonstrate outside, despite the alarmed protests of principal and teachers. Sonny, his classroom empty, realizes that individual cultivation has become an absurdity. He helps his students correct the grammar and spelling on their posters.

It will be his standard. From this first action, he moves to join demonstrations, to address them, and finally, to be taken into the anti-apartheid movement as a prominent figure and, above all, as a brilliantly rational public speaker. He is jailed and he comes out a hero.

Gordimer portrays this modest hero in quietly graceful prose. But a shocking voice keeps interrupting. It belongs to Sonny's son, Will, who has played hooky one afternoon, gone to the movies and met his father coming out, accompanied.

"She is blond, my father's woman. Of course. What else would she be? How else would he be caught, this man who has traveled so far from all the humble traps of our kind, drink, glue-sniffing, wife-beating, loud-mouthed capering . . . and all the sophisticated traps of lackeyism, corruption, nepotism. . . . If he is to be caught, of course it's going to be by the most vulgar, shopworn, commonplace of sticky traps."

"My Son's Story" continues on these two levels of voicing. They tell what has happened to Sonny, on the one hand. On the other, they provide through Will a kind of Greek chorus of anguish seeking to understand and define Sonny as father and as public figure, and himself as son and moral heir.

The blond, Hannah, is an anti-apartheid worker who had met Sonny visiting him in prison. She is an idealist and a descendant of missionaries, and at first their friendship was abstract, a fiery discussion of ideas and strategies. In contrast with Aila, the disciplined homemaker, keeper of the private world, Hannah represents for Sonny the larger world which, as a black man, he had been denied.

The evolution of Sonny from teacher to man of action to man of passion, and back into partial retreat, is rounded and moving. Hannah and Aila, though less fully seen, are, each in her own way, memorable and distinct.

What is most memorable is Gordimer's ability to suggest the complexities that go with South African change.

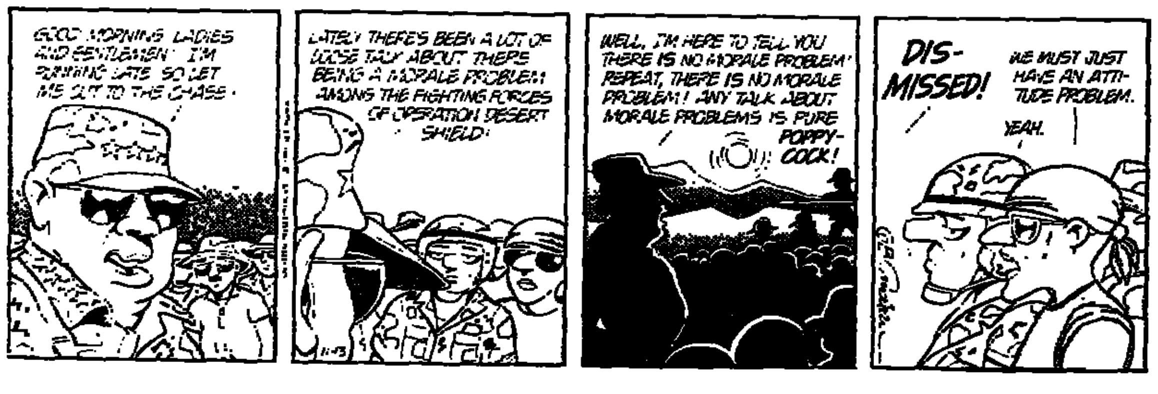
Sonny is entangled, precisely, in the partial advances made against apartheid. Had the movie theater not been desegregated, he would not have been there to be caught by Will, and Will would not have been there to catch him. If the ban against interracial relationships had not been relaxed, Sonny and Hannah never would have allowed themselves to begin an affair. Nor would they have been able to spend nights at her home, or go to hotels on weekends.

And Sonny, whose gift is for speaking rather than conspiracy — his shunting-aside was due in part to his inability to keep up with Movement politicking — would not have been able to achieve fulfillment by going from place to place to address semi-tolerated meetings.

To voice the new complexities that are replacing the older simplicities in South Africa, irony is required along with the traditional anger and hope. "My Son's Story" uses its irony with an energy and nerve that are themselves a kind of hope.

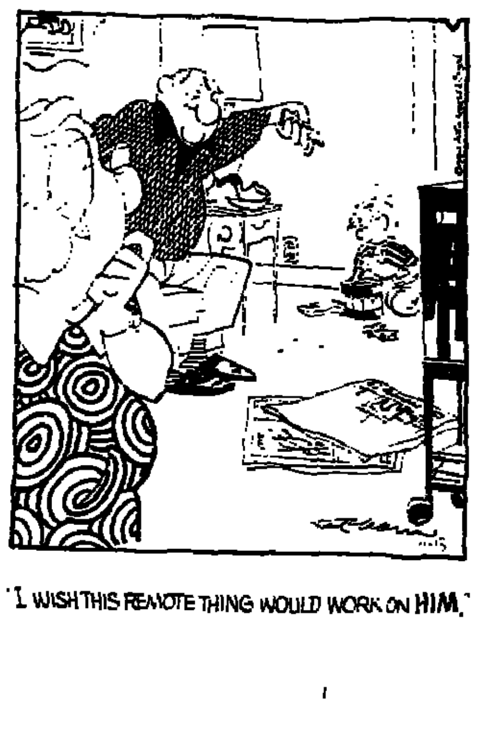
Richard Eder is on the staff of the Los Angeles Times.

DOONESBURY



GOOD MORNING, LADIES AND GENTLEMEN. I'M RUNNING LATE, SO LET ME CUT TO THE CHASE.
LATELY THERE'S BEEN A LOT OF LOOSE TALK ABOUT THERE BEING A MORALE PROBLEM AMONG THE FIGHTING FORCES OF OPERATION DESERT SHIELD.
WELL, I'M HERE TO TELL YOU THERE IS NO MORALE PROBLEM! REPEAT, THERE IS NO MORALE PROBLEM! ANY TALK ABOUT MORALE PROBLEMS IS PURE POPPYCOCK!
DIS-MISSED!
WE MUST JUST HAVE AN ATTITUDE PROBLEM.
YEAH.

DENNIS THE MENACE



"I WISH THIS REMOTE THING WOULD WORK ON HIM."

JUMBLE

THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

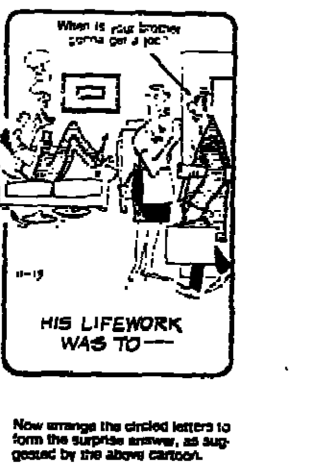
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YEDIT ○☐○☐☐

PARPE ☐○☐☐☐

ROVACT ☐☐○☐☐○

MIDYOF ☐○☐○☐☐



When is your brother gonna get a job?
HIS LIFEWORK WAS TO —

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ○○○○○○ ○○

(Answers tomorrow)

Yesterday's | Jumbles: DRONE HEDGE BROOCH HOURLY
Answer: What the baker turned comedian knew how to make—DOUGH OUT OF "CORN"

BRIDGE

By Alan Truscott

SUCCESSFUL maneuvers at the card table, as in the kitchen, frequently depend on careful planning and preparation. An example is the diagramed deal, which helped Seymour Reich, John Solodar and Michael Rain, all of Manhattan, and Michael Kopera and Gene Prosnitz, both of Brooklyn, to come from behind and capture the Regional Swiss Team title in Lancaster, Pennsylvania, Nov. 3.

NORTH
♠10 5 4 2
♡A K 9 3
♢A 7 5
♣A J

WEST (D)
♠9 6
♡Q 10
♢K J 10 9 6 4
♣9 7 2

EAST
♠Q 8 7
♡J 8 7 4
♢3 2
♣K Q 8 5

SOUTH
♠A K J 3
♡6 5 2
♢Q 8
♣10 6 4 3

Both sides were vulnerable. The bidding:

West	North	East	South
Pass	1 N.T.	Pass	2♣
2♢	2♡	Pass	2♠
Pass	4♠	Pass	Pass
Pass			

West led the club two.

There was a twist in the bidding en route to the obvious four-spade contract. Players who use transfer bids tend to deny a five-card major suit when they use Stayman. Some therefore use the sequence shown to indicate a four card suit, and a two no-trump rebid consequently denies four spades.

A club was led, and Radin as South could see only nine tricks, even assuming a favorable trump split. He played the jack from the dummy, and East took the queen and shifted to a diamond. The queen, king and ace were played, and a low heart was led from the dummy. This prepared the ground for an even heart split, and also for a hypothetical squeeze.

West won with the heart ten, cashed the diamond jack and exited with his heart queen. Dummy won with the king, and South took the spade ace and the club ace before finessing the spade jack. The spade king removed the missing trump, and a club ruff left this ending:

NORTH
♠—
♡A 9
♢7
♣—

WEST
♠—
♡—
♢10 9 6
♣—

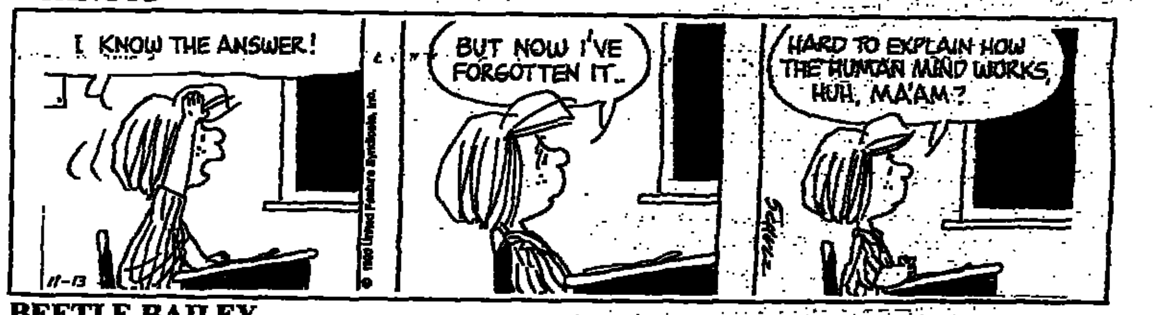
EAST
♠—
♡J 8
♢—
♣K

SOUTH
♠3
♡6
♢—
♣10

A diamond ruff squeezed East bringing home a contract that failed in the replay. Radin and his teammates gained 12 imps, and won the decisive match by far more than the 17 they knew they needed when it started.

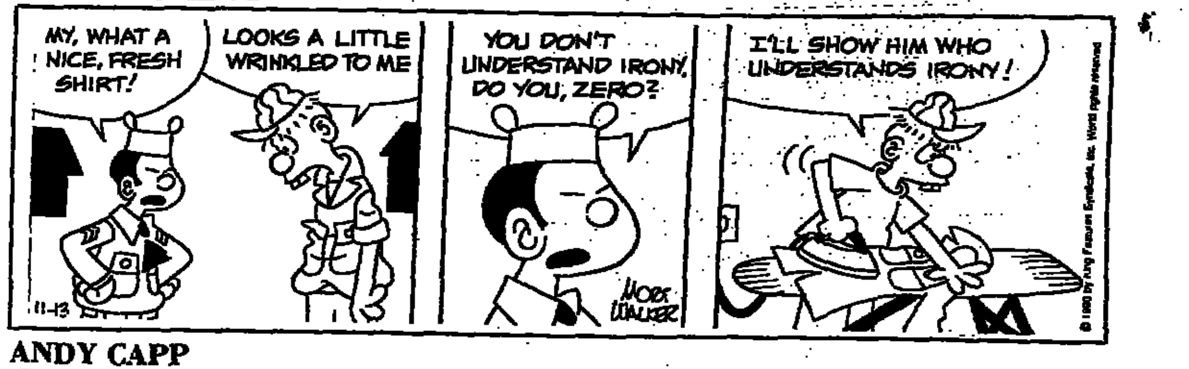
The regular chess column will return after the world championships. Reports on the matches will appear in the IHT's news columns.

PEANUTS



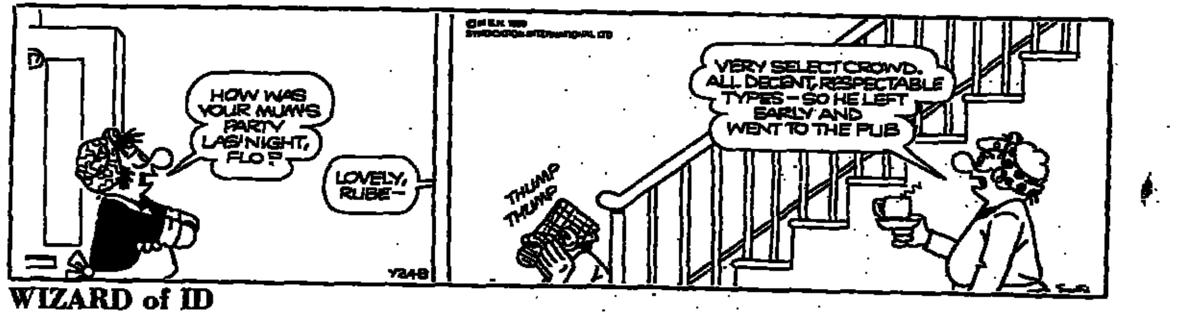
I KNOW THE ANSWER!
BUT NOW I'VE FORGOTTEN IT..
HARD TO EXPLAIN HOW THE HUMAN MIND WORKS, HUH, MA'AM?

BEETLE BAILEY



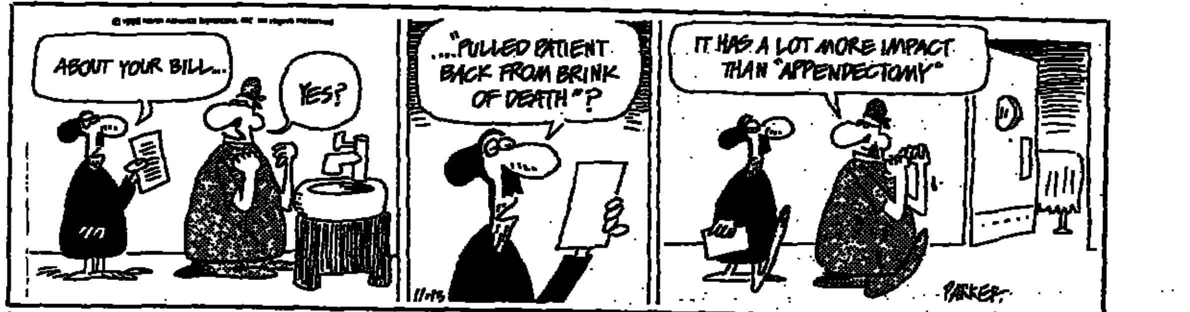
MY, WHAT A NICE, FRESH SHIRT!
LOOKS A LITTLE WRINKLED TO ME
YOU DON'T UNDERSTAND IRONY, DO YOU, ZERO?
I'LL SHOW HIM WHO UNDERSTANDS IRONY!

ANDY CAPP



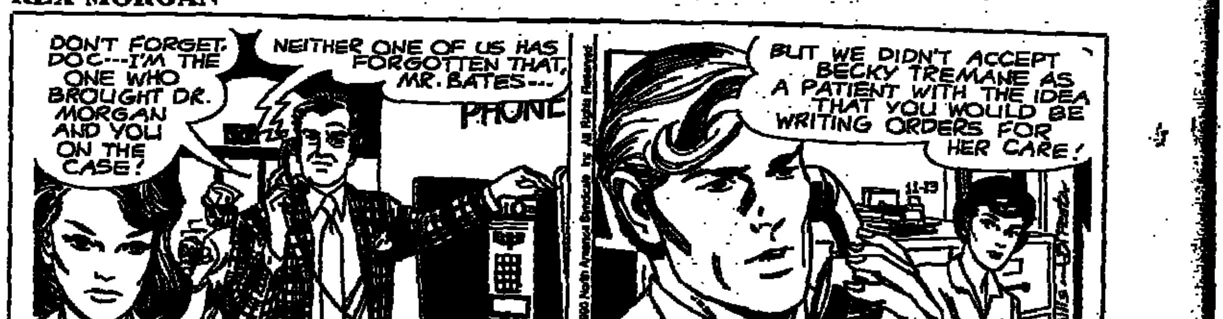
HOW WAS YOUR MUM'S PARTY LAS'NIGHT, FLO?
LOVELY, RUBE—
VERY SELECT CROWD. ALL DECENT, RESPECTABLE TYPES — SO HE LEFT EARLY AND WENT TO THE PUB
THUMP THUMP

WIZARD of ID



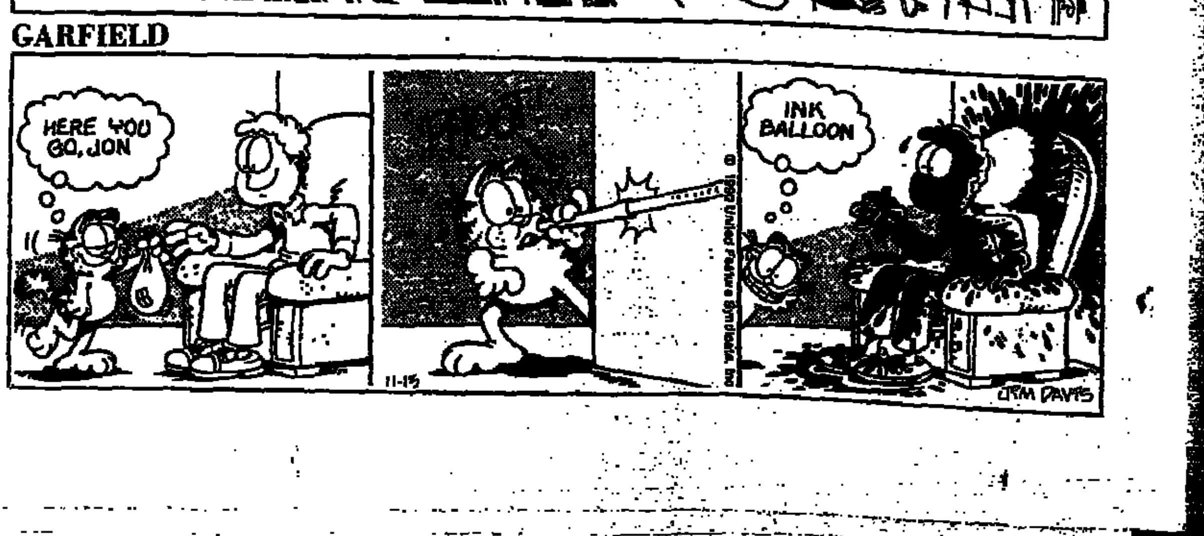
ABOUT YOUR BILL...
YES?
..."PULLED PATIENT BACK FROM BRINK OF DEATH"?
IT HAS A LOT MORE IMPACT THAN "APPENDECTOMY"

REX MORGAN



DON'T FORGET, DOC---I'M THE ONE WHO BROUGHT DR. MORGAN AND YOU ON THE CASE!
NEITHER ONE OF US HAS FORGOTTEN THAT, MR. BATES---
PHONE
BUT WE DIDN'T ACCEPT BECKY TREMANE AS A PATIENT WITH THE IDEA THAT YOU WOULD BE WRITING ORDERS FOR HER CARE!

GARFIELD



Notre Dame, Colorado Going to Orange Bowl, Virginia Opts for Sugar

By Malcolm Moran
New York Times Service

NEW YORK — Twelve days before the hour when bowl games may officially extend invitations to college football teams, Notre Dame has unofficially chosen to spend New Year's Night at the Orange Bowl in Miami with a game against Colorado that could match the two highest-ranked teams in the United States.

Virginia, which had been expected to play in the Fiesta Bowl in Tempe, Arizona, announced that it was anticipating an invitation from the Sugar Bowl for a meeting in New Orleans against the Southeastern Conference champion, either Tennessee or Mississippi.

The University of Miami's athletic director, Sam Jankovich, announced Sunday night his intention — given the Orange Bowl officials' decision — to accept a bid for the Hurricanes to play in the Cotton Bowl against the Southwest Conference champion.

Because of the National Collegiate Athletic Association rule prohibiting a school from receiving a formal invitation until 6 P.M. on Nov. 24, a public admission of a planned invitation can normally be translated to mean that a deal has been completed.

The Fiesta Bowl, which has used an aggressive posture to build a status equivalent to its more traditional rivals, has had its share of problems for its 20th game since voters rejected last week a referendum to establish an Arizona state holiday in honor of Dr. Martin Luther King Jr.

[Virginia's athletic director, Jim Copeland, met with the football team's players on Sunday morning and sources indicated that several players expressed concern over playing the game in Tempe, The Washington Post reported. But when others brought up the possibility of the game being moved to San Diego, the team agreed it would play in the Fiesta Bowl if it was moved from Tempe.

["We were certainly aware of what went on out there and it was a concern," Copeland said.]

[Copeland announced that the Cavaliers would accept a Sugar Bowl offer "if an invitation is formally extended," and the Sugar Bowl's executive director, Mickey Holmes, said his committee would consider "no one else" to play against the Southeastern Conference champion.]

Virginia's announcement came less than 24 hours after Don Meyers, the team-selection chairman of the Fiesta Bowl, said the Cavaliers would be extended an invitation.

The controversy over the Arizona referendum, which has already led the National Football League to reconsider playing its 1993 Super Bowl in Sun Devil Stadium in Tempe, led Fiesta officials to ask the NCAA postseason football subcommittee to permit moving the game to another site.

[But after a marathon Sunday session, the Fiesta Bowl president, Larry Gunning, announced that although permission for a move had been received, the game would remain in Tempe, The Associated Press reported.

["We've got sponsors to deal with locally, we have more than 50,000 tickets sold locally, and the bottom line is that we're looking past this year as well," said a Fiesta spokesman, Brend DeRaad.

[Fiesta officials had discussed moving to Jack Murphy Stadium in San Diego. But John Reid, the executive director of the Holiday Bowl, which is held at that stadium, said the NCAA had ruled that the Fiesta game could be moved but not to the site of another bowl game.

[Rumors circulated Sunday night that the Fiesta was trying to lure 20th-ranked Louisville away from the All American Bowl, and that it was attempting to work out a deal for a Southeastern Conference team other than the champion — probably next week's winner between No. 14 Tennessee and No. 15 Mississippi.

[An SEC source said the league's four bowl teams — Tennessee, Ole Miss, Auburn and Alabama — were trying to reach a unanimous agreement whether to accept or reject a Fiesta Bowl invitation.]

Notre Dame, which also spurned overtures from the Fiesta Bowl, stabilized its No. 1 position in The Associated Press poll with a 34-29 defeat of Tennessee on Saturday.

That narrow victory, combined with losses by Washington and Houston, led Dick Rosenthal, Notre Dame's athletic director, and the Reverend E. William Beauchamp, the executive vice president, to arrive at their choice in a meeting Sunday morning.

Colorado moved from fourth to second with a 41-22 victory over Oklahoma State. The Buffaloes clinched a second consecutive Big Eight championship and Orange Bowl bid with one remaining regular-season game, Saturday against Kansas State.

That led Notre Dame officials to anticipate that a return to the Orange Bowl, where the Irish defeated Colorado last Jan. 1, could produce a No. 1-No. 2 matchup if the Irish can defeat Penn State this Saturday at home and Southern California in Los Angeles on Nov. 24.

Notre Dame's worst-case scenario would provide the Irish a game against a No. 1 team, since a defeat would presumably move Colorado into the top spot.

Rosenthal said that the political controversy in Arizona had not affected Notre Dame's thinking.

"That was not a consideration," he said. "We were confronted today with the reality of what our situation was and the reality of what Colorado's situation was."

The latest surprises of a strange college season, the losses by Washington and Houston, left Notre Dame with a choice between its bowl policies of varying its appearances and seeking a matchup against the highest-ranked available team.

"I think No. 1 against No. 2 is a little more compelling," Rosenthal said.

College Football Poll

The top 25 teams in The Associated Press poll, with first-place votes in parentheses, records through Nov. 10, total points based on 25 for a first-place vote through one for a 25th-place vote, and last week's rankings:

	Record	Pts	Pvs
1. Notre Dame (55)	8-1-0	1,495	1
2. Colorado (5)	9-1-1	1,419	4
3. Miami, Fla.	6-2-0	1,349	5
4. Georgia Tech	8-0-1	1,307	7
5. Brigham Young	8-1-0	1,286	8
6. Florida	8-1-0	1,163	10
7. Texas	7-1-0	1,149	14
8. Virginia	8-1-0	1,064	11
9. Florida St.	7-2-0	1,001	12
10. Washington	8-2-0	992	2
11. Nebraska	9-1-0	897	13
12. Houston	8-1-0	886	3
13. Iowa	7-2-0	749	6
14. Tennessee	5-2-2	725	9
15. Mississippi	8-1-0	693	16
16. Michigan	6-3-0	680	19
17. Clemson	8-2-0	576	18
18. Penn St.	7-2-0	495	21
19. Southern Cal	7-2-1	323	23
20. Louisville	9-1-1	311	22
21. Ohio St.	6-2-1	304	—
22. Illinois	6-3-0	236	17
23. Michigan St.	5-3-1	206	24
24. Auburn	6-2-1	172	15
25. Southern Miss.	8-3-0	85	-

9-0 Giants and 49ers Marching Toward Showdown

Compiled by Our Staff From Dispatches

The New York Giants and the San Francisco 49ers continue to mow down opponents in the National Football League as they move closer to their big game Dec. 3 in San Francisco.

The Giants, against a team that had beaten them three times in the last two years, outpassed, outran and outplayed the Los Angeles Rams in every way Sunday and won, 31-7, in Anaheim, California.

That gave the Giants a 9-0 record, their best start ever. It was their 12th straight regular-season victory over two years, their longest such winning streak ever.

But they only kept pace with the 49ers, who won their 17th straight, including playoffs, and extended their regular-season record to 15 consecutive road victories with a 24-6 rout Sunday night of the Dallas Cowboys in Irving, Texas.

Joe Montana completed 12 passes to Jerry Rice for 147 yards and a touchdown. Montana completed 27 of 37 passes for 290 yards, then scored on a four-yard run with 3:12 to play as the Cowboys lost to the 49ers for the sixth consecutive time.

Rice's biggest catch was for a seven-yard touchdown that gave the 49ers a 14-3 lead in the second quarter. He outjumped defender Kenneth Gant for the ball, caught it in his left hand and cradled it to his stomach before stutter-stepping in the end zone.

NFL ROUNDUP

"He's got to be the only guy in the world who could have caught that ball," Montana said.

Although the Rams' secondary and linebacking have been hurt by injuries this season, they are still a team with explosive passing power. But not on Sunday.

Phil Simms, throwing mostly short passes, completed 19 of 26 for 213 yards and one touchdown, a nine-yarder to Mark Bavaro. Ottis Anderson pounded the Rams all day and ran three yards for a touchdown. The Giants' last touchdown, a one-yard run by Lewis Tillman, followed Gary Reasons's second fourth-quarter interception.

The Rams scored on a three-yard run by Cleveland Gary after Simms was sacked and fumbled away the ball. But strong-armed quarterback Jim Everett was foiled time and again on anything except a flare or a short pass over the middle. Everett completed 17 of 36 passes for 186 yards, and had three intercepted.

Sean Landeta, who came into the game tied for the NFL punting lead, contributed to the Giants' victory by leaving three punts in a row on the Rams' three-yard line. Dave Meggett, the league's leading punt returner, contributed with returns of 15, 12, 10 and 22 yards.

"It was just time" to beat the Rams," said all-pro linebacker Lawrence Taylor, who had four tackles and an assist but for the sixth game did not get a sack. "They beat us for a while and they pretty much embarrassed us last year. It was time for us to pay them back."

Packers 29, Raiders 16: Don Majkowski threw two touchdown passes and Chris Jacke kicked a team-record five field goals in Los Angeles as Green Bay snapped the Raiders' 10-game homefield winning streak under the coaching of Art Shell.

Majkowski threw a 28-yard touchdown pass to Perry Kemp on the first play of the fourth quarter and hit Vince Workman for a five-yard score. The Packers won even though Majkowski was sacked eight times.

Jacke kicked field goals of 39, 51, 32, 23 and 20 yards. He is 17 of 19 this year. The Raiders lost their second straight, but still lead the AFC West.

Chargers 19, Broncos 7: Cornerback Gill Byrd intercepted two passes, setting up 10 second-half points, and Marion Butts rushed for 114 yards on 16 carries in San Diego.

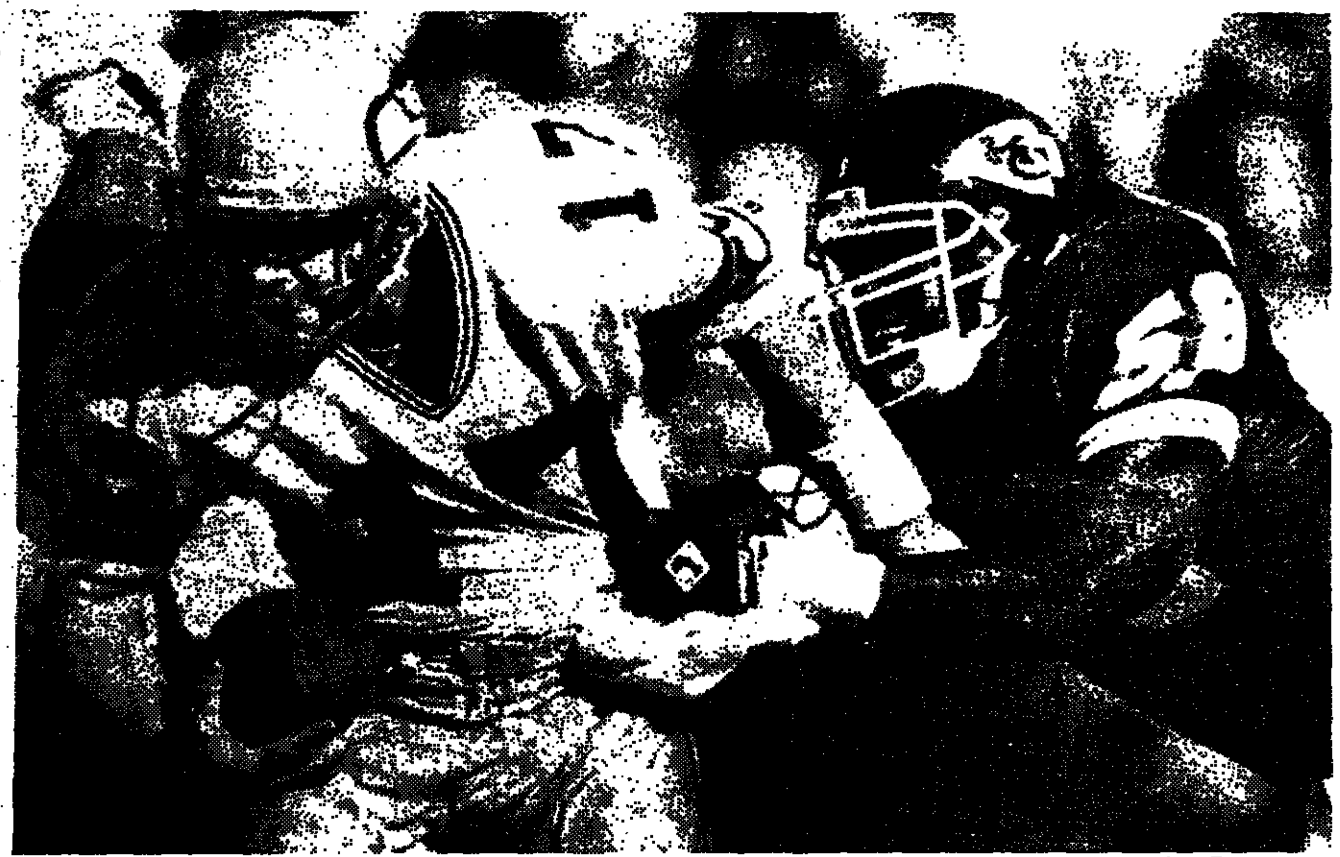
The Chargers won their third straight game, getting four field goals from John Carney and a one-yard touchdown plunge from linebacker-turned-fullback Gary Plummer.

The Broncos trailed, 9-7, at halftime, their first deficit at the half this season.

Bears 30, Falcons 24: Wendell Davis caught five passes for 105 yards, scored one touchdown and set up another with a 51-yard reception in Chicago as he helped hand Atlanta its 15th consecutive road loss.

The Bears led, 24-3, early in the third quarter, but the Falcons rallied to within a touchdown. Then Vestee Jackson returned an interception 45 yards for a touchdown with 1:28 left for a 30-17 lead.

Colts 13, Patriots 10: Jeff George, only six for 24 passing in the game, threw a 26-yard scoring pass to Bill Brooks with 2:05 to play to give Indianapolis its victory in Foxboro, Massachusetts. *(NYT, AP, WP)*



Cliff Schiappa/The Associated Press

A RECORD, BUT NOT ENOUGH — Linebacker Derrick Thomas sacked Seattle's Dave Krieg seven times in the game in Kansas City, setting an NFL record. But on the final play the quarterback escaped Thomas's grasp and passed for a 25-yard touchdown that, with the extra point, gave the Seahawks a 17-16 victory. "That last sack I didn't get is the one I'm going to remember," Thomas said.

Knight: No Longer Enfant, and Not So Terrible

By Tom Callahan
Washington Post Service

WASHINGTON — Bobby Knight recently turned 50, the beginning of the end for an *enfant terrible*. Indiana University's basketball coach marked the anniversary by once again refusing to be considered for the Basketball Hall of Fame. But with florid faces this time, the curators have refused his refusal. Chairs may soon be whizzing all over the museum.

When Knight did not go in on the fly in 1987, his 25th season in the industry and first year of eligibility, he declined to ever go in on the bounce. He is famous for obstinance and pride. Still, whenever or however he arrives at the taxidermist, he belongs with Pete Newell, Clair Bee and Henry Iba.

Vantage Point

Knight began to construct his Hall of Fame display at Ohio State. An irrepressible gunner, a willing but inept defender, he was the kind of player he would never tolerate. But he was worth a few points from the bench. He still is. And he had the respect of better athletes such as John Havlicek and Jerry Lucas. He still does.

Dangerously, Knight began coaching at West Point. The biggest clue to him is there yet. In a hazing atmosphere, under a frenzied head coach, Tates Locke, Knight developed a system of discipline that continues to be military.

Like a drill instructor — quite a bit like Red Blaik and Vince Lombardi — he breaks down the Indiana boots and rebuilds them to the strenuous requirements of the second half of a Big Ten season. The ones who survive end up liking themselves a lot and loving him a little.

Basketball only seems to be a simple game, where everyone's offense is a pick and everyone's defense is perspiration. "There are only two great plays," the old coach and referee Charlie Eckman used to say. "Put the ball in the basket and 'South Pacific.'"

Although the setting is more intimate than with other games — the spectators are on top of the players, and the players are racing around in their underwear — basketball can match football nuance for nuance.

Many who appear to know basketball really only know the jargon. The latest is easy. For instance, you never say "dribble;" you say "he puts the ball on the floor." Or you use the recently hip numbered shorthand. "For a 'four' man, he certainly knows how to put the ball on the floor, and he sure can fill the lane."

If you ever are lucky enough to sit beside someone who does understand this game, someone like Newell, through their eyes you may start to see the geometry. Watching Knight's teams, the ball becomes a distraction. Away from the ball, he has created intricate little side games, weaves of mystery and mischief, usually culminating with some unwary soul crashing into a lamppost.

Knight has produced three distinct kinds of champions at Indiana. The Kent Benson crew was the best team comprised of the best players. The Isiah Thomas group had the single best player only. The Steve Alford collection had neither. Except for a second or two at the close of each half, Syracuse would have been the national champion of 1987. That's when Knight ran a little play, arranged a little shot, kicked in his few points from the bench.

WHAT kept him out of the Hall of Fame three years ago must have been all the chair throwing and shirt pulling. In the manner of Woody Hayes, George Patton and most other undisciplined disciplinarians, Knight has been as scrupulous about getting all the little things wrong as he has about getting all the big things right.

He's a teacher, who says, "The state of Indiana pays the corrections officer one salary and me another." But in truth, he reaches out for scoundrels. In a curious development, Knight quietly has taken to reforming, actually reclaiming, old cheaters. His former Army boss, Locke, went woefully wrong at Clemson. Knight brought him to Bloomington as an assistant, showed him how an honest coach can still win and pointed him to Indiana State.

Now, the longest-awaited freshman in both mythology and memory has taken residence. By Jerry West out of Frank Merriwell, Damon Bailey first caught Knight's attention when he was in the eighth grade. "He could play for me now," Knight was heard to mutter.

Bailey has reached 6 feet, 4 inches (1.93 meters) and college age. He's in for a hard but wonderful time.

UNLV Picked No. 1 In Basketball Poll

The Associated Press

NEW YORK — The University of Nevada at Las Vegas starts the college basketball season where it mostly likely can't end it; as No. 1.

The Runnin' Rebels, who won the national championship after being the preseason No. 1 last season, have been banned from this winter's National Collegiate Athletic Association tournament and will not be able to defend their title, unless they are successful on appeal. But that didn't stop the poll voters from making them No. 1 on Monday.

All but 15 of the 65 voters on the national board of writers and broadcasters had UNLV first on their ballots. The Runnin' Rebels had 1,601 points, well ahead of Arkansas, 1,506, and Arizona, 1,488, each with five first-place votes.

Michigan State was fourth with one first-place vote and was followed in the top 10 by North Carolina, Duke, Alabama, Indiana, Georgetown and Ohio State.

UNLV has four starters back from the team that beat Duke, 103-73, in the most lopsided championship game ever played. All-American Larry Johnson and defensive star Stacey Augmon both returned to the Runnin' Rebels instead of going to the National Basketball Association, only to find out in July that they could not defend the title.

Coach Jerry Tarkanian, the center of allegations, and the school offered several alternative punishments to the NCAA's Infractions Committee last month, and it is possible that the postseason ban may yet be overturned.

No. 20 Missouri just got a two-year probation that includes a ban from the next NCAA tournament.

North Carolina, the highest team in the poll not ranked in last season's final balloting, in 1982 was the last team to start and finish No. 1 before UNLV did so.

The Tar Heels and Indiana both have freshmen to thank for their rankings. North Carolina has the top recruiting class with five players, led by 7-foot (2.13-meter) Eric Montross, while Indiana's young team will be augmented by guard Damon Bailey, who was scrutinized nationally throughout his high school career in Indiana.

Besides North Carolina, 10 schools were not ranked in last season's final poll. Pittsburgh (12-17) was the only team in the top 25 with a sub-500 record last season. The Panthers return four starters and will be helped by the return of point guard Sean Miller, who did not play last season after ankle surgery.

Pitt is one of five Big East teams in the rankings, along with Georgetown, Syracuse, Connecticut and St. John's. The Atlantic Coast Conference has four (North Carolina, Duke, Georgia Tech and Virginia); the Big Ten (Michigan, Indiana and Ohio State) and the Southeastern Conference (Alabama, LSU and Georgia) have three each.

Syracuse has the longest current streak for appearances in the poll, having been ranked every week since the last poll of 1983-84.

College Basketball Poll

The top 25 teams in The Associated Press' preseason poll, with first-place votes in parentheses, 1989-90 record, total points based on 25 for a first place vote through one for a 25th place vote and last season's final ranking:

	Record	Pts	Pvs
1. UNLV (50)	35-5	1,601	2
2. Arkansas (5)	30-4	1,506	7
3. Arizona (5)	25-7	1,488	14
4. Michigan St. (1)	28-6	1,302	4
5. North Carolina	21-13	1,282	-
6. Duke (2)	29-9	1,162	15
7. Alabama	26-9	1,110	23
8. Indiana	18-11	1,089	-
9. Georgetown (2)	24-7	1,054	8
10. Ohio St.	17-13	887	-
11. UCLA	22-11	874	-
12. Pittsburgh	12-17	812	-
13. Syracuse	26-7	791	6
14. LSU	23-9	726	19
15. Oklahoma	27-5	670	1
16. Georgia Tech	28-7	640	9
17. Connecticut	31-6	630	3
18. Virginia	20-12	540	-
19. Temple	20-11	300	-
20. Missouri	26-6	282	-
21. Georgia	20-9	280	11
22. Texas	24-9	254	-
23. Louisville	27-8	252	16
24. Southern Miss.	20-12	238	-
25. St. John's	24-10	213	-

FIFA Mulling German Ban

Compiled by Our Staff From Dispatches

NUREMBERG, Germany — FIFA may ban German teams from playing abroad if the violence that claimed two lives last week continues, an official of soccer's governing body has said.

"If a town is demolished every time a German team plays, then FIFA will have to decide if they can play abroad," the organization's general secretary, Joseph Blatter, told the sports magazine Kicker.

One man was shot dead by police during a riot in Leipzig, and another died from stab wounds after a western German club match.

German fans also caused extensive damage in Luxembourg after a European Championship qualifier last month, and last weekend riots erupted in two cities in eastern Germany after league matches.

A soccer festival planned for Nov. 21 in Leipzig is to mark the merger of the reunited country's two soccer federations. The highlight is to be a match between national teams representing the two former German states, but officials have said they may cancel the match because of the threat of violence.

Arsenal and Manchester United on Monday became the first English clubs to have league points deducted for on-field violence.

The English Football Association decided at a disciplinary hearing to take two points from Arsenal and one from Manchester United following a 21-player brawl at United's Old Trafford field Oct. 20.

Each club was fined $95,000. Arsenal had two points deducted because it had been fined $39,000 last season for a brawl during a match against Norwich.

SCOREBOARD

FOOTBALL

NFL Standings

AMERICAN CONFERENCE

	W	L	T	Pts	PF	PA
East						
Buffalo	8	1	0	.889	274	150
Miami	8	1	0	.889	192	96
N.Y. Jets	4	6	0	.400	178	216
Indianapolis	3	6	0	.333	125	196
New England	1	8	0	.111	130	257
Central						
Cincinnati	5	4	0	.556	212	225
Pittsburgh	5	4	0	.556	171	147
Houston	4	5	0	.444	194	169
Cleveland	2	7	0	.222	128	235
West						
L.A. Raiders	6	3	0	.667	170	137
Kansas City	5	4	0	.556	192	138
San Diego	5	5	0	.500	214	163
Seattle	4	5	0	.444	175	182
Denver	3	6	0	.333	197	224

NATIONAL CONFERENCE

	W	L	T	Pts	PF	PA
East						
N.Y. Giants	9	0	0	1.000	226	110
Washington	5	3	0	.625	185	141
Philadelphia	4	4	0	.500	199	172
Dallas	3	7	0	.300	125	204
Phoenix	2	7	0	.222	117	249
Central						
Chicago	8	1	0	.889	229	126
Green Bay	4	5	0	.444	176	196
Tampa Bay	4	6	0	.400	170	243
Detroit	3	6	0	.333	213	237
Minnesota	3	6	0	.333	194	188
West						
San Francisco	9	0	0	1.000	222	144
New Orleans	4	5	0	.444	171	164
Atlanta	3	6	0	.333	232	251
L.A. Rams	3	6	0	.333	190	258

SUNDAY'S RESULTS

Chicago 30, Atlanta 24
Indianapolis 13, New England 10
Miami 17, New York Jets 3
Minnesota 17, Detroit 7
Buffalo 45, Phoenix 14
Seattle 17, Kansas City 16
New Orleans 35, Tampa Bay 7
San Diego 19, Denver 7
Green Bay 29, Los Angeles Raiders 16
New York Giants 31, Los Angeles Rams 7
San Francisco 24, Dallas 6

Open dates: Cincinnati, Cleveland, Houston, Pittsburgh

MONDAY'S GAME

Washington at Philadelphia

NEXT SUNDAY'S GAMES

Detroit at New York Giants
Houston at Cleveland
New England at Buffalo
New Orleans at Washington
Philadelphia at Atlanta
San Diego at Kansas City
Chicago at Denver
Dallas at Los Angeles Rams
Green Bay at Phoenix
Minnesota at Seattle
New York Jets at Indianapolis
Tampa Bay at San Francisco
Pittsburgh at Cincinnati

NEXT MONDAY'S GAME

Los Angeles Raiders at Miami

NFL Winning Streaks

The longest winning streaks in NFL history, including playoffs (x-current):

18 — Chicago Bears, 1933-34.
18 — Chicago Bears, 1941-42
18 — Miami Dolphins, 1971-73.
17 — x-San Francisco 49ers, 1989-90.

NFL Single Game Sacks

(Sack records compiled since 1982):

7 — Derrick Thomas, Kansas City vs. Seattle, Nov. 11, 1990.
6 — Fred Dean, San Francisco vs. New Orleans, Nov. 13, 1983.
5½ — William Gay, Detroit vs. Tampa Bay, Sept. 4, 1983.
5 — Gary Jeter, L.A. Rams vs. L.A. Raiders, Sept. 18, 1988.
5 — Leslie O'Neal, San Diego vs. Dallas, Nov. 16, 1986.
5 — Jim Jeffcoat, Dallas vs. Washington, Nov. 10, 1985.
5 — Randy Holloway, Minnesota vs. Atlanta, Sept. 16, 1984.
5 — Howie Long, L.A. Raiders vs. Washington, Oct. 2, 1983.

Canadian League

SUNDAY'S RESULTS

Toronto 34, Ottawa 25
Edmonton 43, Saskatchewan 27

SUNDAY, NOV. 18
Division Finals

Toronto at Winnipeg
Edmonton at Calgary

SUNDAY, NOV. 25, GREY CUP
At Vancouver, British Columbia
Division final winners

TO OUR READERS IN BERLIN

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HOCKEY

NHL Standings

WALES CONFERENCE

	W	L	T	Pts	GF	GA
Patrick Division						
N.Y. Rangers	13	6	1	27	82	51
Philadelphia	11	8	0	22	71	65
Washington	10	9	0	20	61	60
New Jersey	9	8	1	19	65	60
Pittsburgh	8	7	2	18	75	65
N.Y. Islanders	7	10	0	14	51	68
Adams Division						
Boston	10	5	3	23	56	58
Montreal	10	7	2	22	61	57
Buffalo	7	6	4	18	58	50
Hartford	5	9	3	13	41	56
Quebec	3	13	3	9	49	78

CAMPBELL CONFERENCE

	W	L	T	Pts	GF	GA
Norris Division						
Chicago	12	6	2	26	66	45
St. Louis	12	4	1	25	61	43
Detroit	7	8	3	17	63	74
Minnesota	4	10	4	12	47	65
Toronto	2	16	1	5	49	94
Smythe Division						
Los Angeles	12	4	1	25	78	51
Calgary	12	7	1	25	86	62
Vancouver	9	9	0	18	54	61
Winnipeg	7	9	2	16	58	58
Edmonton	2	11	2	6	39	51

SUNDAY'S RESULTS

Vancouver 0 0 0—0
Philadelphia 1 0 1—2

Ricci (3), Samuelsson (4). Shots on goal: Vancouver (on Peeters) 7-16-8—31. Philadelphia (on Gamble) 11-5-9—25.

Boston 1 2 2—5
Washington 2 1 0—3

Nilan (2), Carpenter (7), Christian (6), Janney (4), Burridge (4); Quenneville (1), Leach (3), Druce (10). Shots on goal: Boston (on Liut) 7-10-9—26. Washington (on Lemelin) 15-6-8—29.

Quebec 2 1 1 0—4
Montreal 0 2 2 1—5

Broten (4), McKegney (6), Morin (1), Sanipass (2); Lebeau (6), Richer (9), Savard (7), Keane (5), Lefebvre (1). Shots on goal: Quebec (on Bergeron) 16-12-6-0—34. Montreal (on Tugnutt) 7-9-8-3—27.

Calgary 2 2 0 0—4
N.Y. Rangers 1 2 1 0—4

Roberts (5), MacCoun (2), Nieuwendyk (11), Otto (8); Ogrodnick 2 (13), Leetch (6), Gartner (10). Shots on goal: Calgary (on Richter) 13-21-9-1—44. New York (on Vernon) 11-8-7-0—26.

Winnipeg 1 1 1 0—3
Chicago 1 0 2 0—3

Mantha (2), McLlwain (6), Elynuik (6); Murray 2 (4), Graham (5). Shots on goal: Winnipeg (on Belfour) 14-9-9-1—33. Chicago (on Beauregard) 14-14-20-1—49.

BASKETBALL

NBA Standings

EASTERN CONFERENCE

	W	L	Pct	GB
Atlantic Division				
Boston	4	1	.800	—
New York	4	2	.667	½
Miami	2	2	.500	1½
Philadelphia	2	3	.400	2
Washington	1	3	.250	2½
New Jersey	1	4	.200	3
Central Division				
Atlanta	4	1	.800	—
Milwaukee	4	1	.800	—
Detroit	3	2	.600	1
Indiana	3	2	.600	1
Chicago	3	3	.500	1½
Cleveland	3	3	.500	1½
Charlotte	2	4	.333	2½

WESTERN CONFERENCE

	W	L	Pct	GB
Midwest Division				
Dallas	4	1	.800	—
San Antonio	3	1	.750	½
Houston	3	3	.500	1½
Minnesota	3	3	.500	1½
Utah	2	2	.500	1½
Denver	0	6	.000	4½
Orlando	0	6	.000	4½
Pacific Division				
Portland	5	0	1.000	—
Phoenix	3	1	.750	1½
Seattle	3	1	.750	1½
Golden State	4	2	.667	1½
L.A. Clippers	2	4	.333	3½
L.A. Lakers	1	3	.250	3½
Sacramento	0	5	.000	5

SUNDAY'S RESULTS

Orlando 21 19 19 22—81
Minnesota 22 23 26 37—108

Smith 7-16 8-11 22, Vincent 4-11 6-6 14; Campbell 12-19 0-0 24, Corbin 6-15 6-6 18, Richardson 8-15 2-3 18. Rebounds: Orlando 46 (Kite, Smith 6), Minnesota 58 (Spencer 9). Assists: Orlando 17 (Scott, Skiles 5), Minnesota 23 (Richardson 12).

Utah 25 19 27 19—90
Houston 25 30 19 36—110

Griffith 11-21 1-1 24, Stockton 10-15 4-6 24; Olajuwon 14-25 3-3 31, K. Smith 4-8 7-7 15. Rebounds: Utah 54 (K. Malone 14), Houston 54 (Olajuwon 21). Assists: Utah 15 (Stockton 7), Houston 28 (K. Smith 7).

L.A. Clippers 24 18 34 31—107
Portland 39 30 36 33—138

Smith 9-18 3-4 21, Norman 8-15 4-6 20; Drexler 8-13 7-8 23, Duckworth 10-16 2-3 22. Rebounds: Los Angeles 51 (Smith 14), Portland 60 (Williams 12). Assists: Los Angeles 33 (Grant 10), Portland 44 (Porter 10).

New York 25 27 31 26—109
L.A. Lakers 28 28 30 19—103

Ewing 11-22 5-5 27, Vandeweghe 9-12 4-4 22; Johnson 6-17 12-12 24, Scott 11-20 0-0 24. Rebounds: New York 48 (Ewing 14), Los Angeles 46 (Johnson 15). Assists: New York 30 (Jackson 9), Los Angeles 20 (Johnson 14).

COLLEGE EXHIBITION GAME

Arkansas 110, Czechoslovakia 52

TENNIS

MEN'S TOURNAMENT
In Itaparica, Brazil
Final

Mats Wilander, Sweden, def. Marcelo Filippini, Uruguay, 6-2, 6-1.

WOMEN'S TOURNAMENTS
In Indianapolis
Final

Conchita Martinez (2), Spain, def. Leila Meskhi (4), Soviet Union, 6-4, 6-2.

In Worcester, Massachusetts
Final

Steffi Graf (1), Germany, def. Gabriela Sabatini (3), Argentina, 7-6 (7-5), 6-3.

TRANSACTIONS

HOCKEY
National Hockey League

QUEBEC—Traded Max Middendorf, forward, to the Edmonton Oilers for future considerations. Recalled Tony Hrkac, center, from Halifax, American Hockey League.

COLLEGE

BOWLING GREEN—Said they will not renew the contract of Moe Ankney, football coach.

TROY STATE—Robert Maddox, football coach, resigned, effective Dec. 31.

Changes Are Made At The National

New York Times Service

NEW YORK — The president and publisher of the sports daily The National has been relieved of day-to-day duties, while three executives on the business side have been dismissed and an executive associated with the paper's biggest shareholder has been brought in to take greater control of operations.

In addition, The National will cease publishing on Sundays after Nov. 25. It has been publishing six days a week, Sunday through Friday, since its launch Jan. 31.

Peter Price is continue to hold the titles of president and publisher but will be involved in planning for expansion into new markets, while Jaime Davila has taken over operating responsibilities. Davila is a top executive at Univisa Inc., the U.S. subsidiary of the Mexican media baron Emilio Azcarraga.

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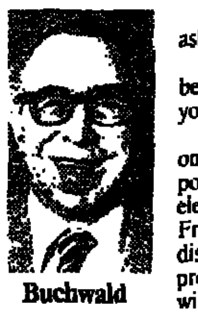
ART BUCHWALD

Voting the Rascals In

WASHINGTON — The beauty of being a political pundit in Washington is that you can predict what the voter is going to do in an election — then when he doesn't do it, you can explain why he was wrong.

Last week I was out exit-polling in the neighborhood when I saw a voter come out of our local school. He was holding a ballot slip which he had made into a paper airplane. He was trying to get it to fly.


Buchwald

"What are you doing?" I asked.

He said, "I'm sending a message to Washington. Contrary to predictions, I'm not mad as hell and I am still willing to take it some more."

"Good for you," I told him. "Does this mean that you have not turned your back on the incumbent?"

"Yes and no. I decided to give him another chance, but I'm not going to give him a standing ovation. If he screws up one more time he's out."

"All the conventional wisdom indicated that voters like you wanted to throw the rascals down the stairs."

He said, "We did feel that way, but then we saw the incumbents' TV commercials. We were so impressed with their sincerity and their desire to serve this country to the best of their ability. We were also persuaded that their opponents were thieves, oddballs and soft on crime."

"How did you find that out?" I asked.

"By watching the same incumbents' commercials — hey, who are you?" he suddenly wanted to know.

"I'm an exit-poller," I said. "I'm one of the people who takes the political pulse of the American electorate every other November. Frankly you have surprised and disappointed me. In my column I predicted that you were so fed up with Washington you were going to overthrow the government by force."

"I hate partisan bickering. You're lucky that I even came out to vote. I left the house in the middle of 'People's Court' to be here. You pundits think that just because congressmen and senators act like a bunch of jokers, the man in the street is going to exchange them for another bunch of jokers. Voting is like going to the dentist — you try not to think about it and all you want to do is get it over with."

□

"Would you like to tell me who you voted for?"

"What's-his-name."

"You don't know his name!"

"He's the one who keeps kissing babies, even though he looks as if he doesn't mean it."

"Why him over the other candidate?"

"The opposition kissed off the country as if he didn't mean it."

"Do you see your vote as a warning to the politicians in Washington that if they don't straighten up and fly right, you will give them their walking papers in 1992?"

"I never thought about it. Why do you ask?"

"Because I'm putting that in my column next week and I would hate to be wrong again."

"I'd love to get this paper ballot to fly," he said.

"What do you dislike most about voting?"

"The exit-pollers. They're really a pain in the butt. By the time you get finished talking with them, the parking meter has run out and you wind up with a ticket."

"Exit-polling is essential to an American election. Without it we pundits would never know why Catholics who make more than $80,000 a year and live in a detached house with one dog and two children, voted against Proposition 144, which gave gas stations the right to sell knitted sweaters on Sundays."

U.K. Viewers Up, As Films Decline

The Associated Press

LONDON — Film audiences in Britain increased by 12 million last year, but fewer than 20 percent of the films they watched were British-made, according to a book published by the British Film Institute.

The BFI's Film and Television Handbook attributed most of the increase in attendance to a rise in the number of new multiplex cinemas which show primarily mainstream Hollywood films.

Not one of the top 10 grossing films in Britain were British, despite the critical and financial successes in the United States of such British films as "Henry V" and "My Left Foot," both of which won Academy Awards.

The head of BFI noted, in introducing the new book, that although fewer British films are being made, the number of people filling film theaters indicates Britons still love going to the movies. "Film production in [Britain] has declined to an all-time low but the rise in cinema admissions is just one of a number of indicators that film is a viable industry," said BFI director Wilf Stevenson.

Costner and Indians: Actor Directs a Western

By Rita Kempley

Washington Post Service

WASHINGTON — In town for the premiere of his stirring western epic "Dances With Wolves," Kevin Costner remains a Hollywood heartthrob despite his impressive debut as a director. His thin hair, splashed with sun, falls over his brow and his voice is hoarse with fatigue. "Bear with me now," he implores, pushing his visitor's shoe with the toe of a fancy cowboy boot.

A depiction of the horse culture — the settlers, the cavalry and Indians — "Dances With Wolves" is in the English, Pawnee and Dakota Sioux languages. The appreciative Sioux formally adopted the filmmaker for his positive depiction of "the people."

"Well, Christmas will never be the same, will it? I hope they take American Express on the reservation," jokes Costner.

He worries that the epic will be taken for a political statement. "I'm not about messages. I'm about entertainment. Granted it's not standard movie fare, but I think people will want to buy popcorn and want to have Cokes and go see it."

He decided to try directing, he explained, because "I have real strong feelings that movies have been so shortened that the literacy of cinema is getting lost. Producers are convinced that people won't sit still for longer than two hours. How can every story be told in exactly two hours?" mutters Costner, who offered to buy out backers for $18 million rather than cut favorite moments from the three-hour film.

"I'm a longer-is-better kind of guy," he says. "I found 'Dances' and it was big, it was ambitious. I mean, I'm not stupid, I didn't look at it and not think to myself, 'My God, what am I doing?' I'm just setting myself up for every known problem — animals, nonactors, children, foreign language, length, subtitles. But I'm not being cavalier when I say I thought it was a greater risk to not do the movie."

From the time he was a tot, Costner has been enchanted by the epic sweep of the cinema, a fancy that led to an affection for filmmakers John Ford and David Lean.

"I remember being in those pajamas that have your feet included," he says, "and my brother who was four years older was going to the show and I couldn't for the life of me understand why I couldn't tag along. And my mother bought me a popgun — same thing as a sucker for me — so I'd shut up. And I remember it was raining and the water was still beading on the windows. We went by this big marquee and I remember seeing those ruby-red letters and I remember saying to my mom, 'What does it say?' She said, 'Oh, that's "Ben-Hur." ' "

When he was 7, Costner went to the Cinerama Dome in Compton, California, to see "How the West Was Won" and was especially taken with Spencer Tracy's narration and Jimmy Stewart's birch-bark canoe. Right then and there he decided that he wanted to make movies (though he wasn't really sure how the people got in there), to gallop bareback over that vast ocean of grass. Flash forward a quarter of a century, and he is smitten with "Dances With Wolves."

Kevin Costner is noted for his improvisations.

It is the story of a man who finds civility among the "savages." Lieutenant John Dunbar, a decorated Union officer, leaves the carnage of the Civil War behind when he is rewarded with an outpost on the American frontier. Arriving at Fort Sedgewick, he finds it abandoned except for a wolf he names Two Socks. Dunbar welcomes the solitude, feeling comfortable enough to go for a stroll in the buff.

"I shot the thing as delicately as I could," says Costner, who avers he never likes taking his shirt off on screen, much less his chaps. "I found the biggest reeds I could find to get behind. But he was taking a bath and you could see that he was at peace with himself. And it was a scene that was written and was not dreamed up by me. I believe in the theatricality of the moment and for me to do it any other way would have been kind of a chickening out."

A filmmaker who reveres a good script, Costner is nevertheless noted for his improvisations — painting Susan Sarandon's toenails in "Bull Durham," for instance.

In his new movie, he cavorts, whooping like a pup, around a colossal bonfire after a visit with the Sioux.

"I had this thing about this guy who could not let these people go," he says. "Dunbar was so lonely for them and I just thought he started dancing, and I did feel a little foolish out there by myself because it wasn't scripted and I said I need to do this, I need to do this. And I need for the animals to watch. And I just was thinking of early man, how early man must have just been, he just needed to howl at the moon."

An officer and a gentleman, Dunbar is set against Costner's view of the average white frontiersman. "They're not guys that you would invite to your house for dinner," says Costner. "They're bigots. The people that inhabited the frontier, in the Army specifically, were not what you call your best citizens. They were often immigrants, the have-nots of society 150 years ago.

"The frontier was not a healthy place. A swift death could come at you in all forms — be it a lightning storm that hit the prairie, be it a grizzly bear, and I know that'll make people laugh when they read that in the paper. But there were thousands of grizzly bears, as there were millions of buffalo, and those things could run you down and kill you. You know, you could not lock yourself up in your Subaru. You know what I mean? It's not Glacier National Park. This was a wild country — and that word underlined."

In a mossy cashmere coat, beard stubble and well-worn jeans, Costner is cowboy casual, handsome in the way of a well-worn Stetson. Of Irish, German and Cherokee descent, he is an all-American mutt. He has been married to Cindy, his Cal State sweetheart, since 1978. She and the three Costner kids joined him here for the world premiere — his little daughter wailing, "I want my own soda."

His entire family appears in the movie. "They're all wiped out in one massacre scene," he says. "My son, Joe, is the little boy chasing the chickens. He's a good little walker, isn't he? And Lily has the puppies. And my wife was at the table, and Annie has lines in the movie. I needed people to play those parts and I brought my family out to be with me, and I guess people wonder why I would do that but I just did it and I can't explain it."

It seems obvious. "Dances With Wolves," a paean to the family ties that bind a nomadic culture together, mirrors, in a fashion, the actor-director-producer's own childhood. The Costners moved almost as frequently as the Sioux in connection with his father's job with Southern California Edison. And Kevin, who enrolled in four high schools in as many years, says he had only one date during that time.

Kevin Costner as the Union Army officer John Dunbar.

Costner likes movies about men and women, but not movies in which they fight the battle of the sexes. Why? "I don't want to be around a mean-spirited woman," he says. "But I don't mind being around a woman that calls me on the carpet. But the next thing you know, there you are on the carpet."

Mary McDonnell plays his romantic interest in "Dances With Wolves," a rugged valentine in deerskin called Stands With a Fist. A white woman who was adopted by the Sioux after the Pawnee slaughtered her family, she is the recent widow of a great Lakota warrior.

"Mary was the closest thing to a cliché in the movie, and I thought critics might think, here we go, another Indian movie with white people. Mary is not an exception to the rule. The taking of orphan children and the raising, that was not an isolated thing. Mary very much happened on the plains."

Costner's first movie, "Sizzle Beach" in 1978, taught him about low-budget thinking, about leading a low-budget life. After that he took a couple of other disastrous parts, then stopped to study his craft while he made a living as a stage manager at Raleigh Studios. His new studio, TIG Productions, named for his grandmother, is now at that location. "Dances With Wolves" is the first of two westerns under the auspices of TIG.

As a director-producer, he is "very hands on," he says. "I love my actors and I refuse to let them fail. I'm ready to do anything, including lie down in the water and show them how I want them to die."

In a kissing scene with McDonnell, he whispers something in her ear. We think it's a sweet nothing, and so did the actress, but it was in fact Costner offering a last-minute instruction.

PEOPLE

Italian Architects Win Acropolis Competition

The Italian architects **Lucio Passarelli** and **Manfredi Nicoletti** won first prize in the international competition for building the new Acropolis Museum, Greece has announced. A Greek group led by an Athens architect, **Tassos Biris**, won second prize.

□

President **François Mitterrand** has decided to give Spain two paintings by **Pablo Picasso**. "Roofs of Barcelona," painted in 1903, and "Tribute to Spaniards killed in the service of France," painted in 1945-47, will be handed to the Spanish prime minister, **Felipe González**, on Tuesday. Picasso had asked that the canvases be given to Spain.

□

The second phase of **Art Buchwald**'s trial against Paramount Pictures will not include as evidence an independent examination of the studio's finances, a judge has ruled. The court ruled in January that Paramount used a Buchwald idea as the basis for the 1986 **Eddie Murphy** film "Coming to America." Buchwald maintains that he and a partner were to receive a combined $250,000 and up to 40 percent of the film's profit. Paramount said that although the film grossed more than $300 million at the box office, it still has not made a profit.

□

Albert Finney will star in the American premiere of the play "Another Time" when the Steppenwolf Theatre in Chicago unveils its new $8 million home.

□

The Internal Revenue Service has seized county-western singer **Willie Nelson**'s property in six states to satisfy $6.5 million in claims, an IRS spokeswoman said. The properties are in Texas, Hawaii, California, Washington, Colorado and Alabama. Nelson blames a careless — and former — business manager for his troubles with the tax man.

□

Fiji, although it was tossed out of the Commonwealth following two military coups in 1987, has once again celebrated **Prince Charles**'s birthday as a national holiday. It is the only country in the world to do so. Charles represented Britain at independence ceremonies in 1970.

□

Paul McCartney says he sometimes listens to bootleg Beatles music, but he is ambivalent about releasing such recordings. "I do like to hear some of the bootlegs, where we're setting up things," he said. "And I often argue with people that if Picasso was great, then his sketches are great, too."

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Please remember to change the Tokyo numbers you may have stored in your phone, fax, computer or PBX. And don't neglect the ones that may be printed on name cards or stationery, or jotted down in your organizer. To keep your calls connecting smoothly, just add "3." We do regret the inconvenience. We hope you understand.

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